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U.S. Article on CW Shipments Rebutted

PM1307133791 Moscow IZVESTIYA in Russian 13 Jul 91 Union Edition p 6

[By Colonel General G. Krivosheyev, deputy chief of the USSR Armed Forces General Staff: "Just What Didn't the Spy Satellite See: Concerning a Publication in THE WASHINGTON TIMES"]

[Text] The beginning of perestroyka in the USSR set off structural changes in Europe which introduced a new quality of relations between states. The Warsaw Pact military organization has disbanded itself, an event of such great importance to the whole of Europe. A whole series of international treaties has been signed (the Treaty on the Elimination of Intermediate- and Shorter-Range Missiles, the Treaty on Conventional Armed Forces in Europe, and so forth) which have not only lowered the level of military confrontation but also envisaged unprecedented openness in the military sphere, which is expressed in extensive inspection activity and the creation of the institution of military observers.

In these conditions, when the need arose to objectively reassess the very principles of relations between states, certain circles in the West and the special services under their control have been faced with a dilemma: Either to change their work methods, honed over years and decades, in line with the new realities which have emerged in Europe, or to prove, come what may, that the old schemes and methods are correct. The second option is undoubtedly easier and more advantageous to them, since it enables them to confirm that they are needed. To that end, any means will do.

B. Gerts [name as transliterated], author of THE WASHINGTON TIMES article "U.S. Spy Satellites Refute Soviet Side's Statements on Chemical Weapons," acted in accordance with this altogether simple approach when he reported, citing U.S. satellite intelligence data that he claimed to have, on the detection of the Soviet Union's evacuation of its chemical weapons from the Western Group of Forces by sea transports. The most striking thing here is that the actual transportation of Soviet chemical munitions in disguised freight cars to the port of Rostock and their subsequent loading on ships is supposed to have been recorded by reconnaissance satellites. The absurdity of such claims is obvious. If it is possible by means of satellites to easily distinguish conventional from chemical munitions, if it is possible to detect chemical weapons stored at installations—and the article talks of the discovery of no less than nine Soviet chemical weapons dumps—the question is: Why does the Geneva multilateral convention on banning chemical weapons provide for the complex, costly, and labor-intensive procedures of international inspections to ensure observance of the convention's commitments?

Similar reports have appeared in the mass media before. Their main aim, in our opinion, is to hinder the development of positive processes in the international situation by means of deliberately false accusations against the USSR of covertly storing chemical weapons at installations of the Western Group of Forces. This despite the fact that back in 1987 the Soviet Union announced that it had no chemical weapons of its own outside its national borders.

Such reports, which produce the appropriate social and political response, are usually followed by requests for international inspections at Soviet installations, ostensibly to remove the concern caused by the published materials. Such was the case last year and this year when the Soviet Union, as a goodwill gesture and to allay any suspicion about the storage of chemical munitions, allowed international experts to choose one Soviet facility in Germany and two in Poland to visit. The results of the inspection confirmed the absence of chemical weapons at the installations.

But if all this is to be repeated, then it is becoming clear that the matter has nothing to do with chemical weapons. The true purpose of such actions is to gather intelligence information on units and formations of the Western Group of Forces, to broaden and tighten the monitoring of the Soviet troop withdrawal, and to intensify the fuss surrounding an "environmental problem" where Soviet subunits are stationed.

In general it should be noted that publications like B. Gerts' article are precisely planned both in terms of their timing and their geography because they appear, as a rule, on the eve of important international meetings involving the top leaders of European states. However—and this, too, is a reality of our times—soberminded European politicians do not collate their actions with such "guardians" of international security as these.

Soviet Reform Plans Seek 'Massive' Western Aid

OW1107102391 Tokyo KYODO in English 0953 GMT 11 Jul 91

[Text] Tokyo, July 11 KYODO—Two reform plans drawn up to change the battered Soviet economy into a market economy are based on massive aid from the West, according to the full text of the plans obtained Thursday by KYODO news service.

The plans will serve as the basis of a presentation Soviet President Mikhail Gorbachev will make to leaders of seven major industrialized western nations in London next week.

Gorbachev reportedly will outline Soviet economic reform plans and present his case for support to the Western leaders on July 17 and 18 in London.

One of the two plans is Soviet Prime Minister Valentin Pavlov's anticrisis program designed to revive the ailing Soviet economy in a relatively short period, in a combination of administrative controls, with moves to introduce a market system such as privatization.

The program, endorsed by Gorbachev and 10 of the Soviet Union's 15 republic leaders, calls for Western financial support in keeping a market-oriented reform on a right track, but is less radical than the other plan.

It aims chiefly to resolve short-term problems confronting the Soviet economy such as inflation and food shortages, although it features measures to convert the central command system into a market system gradually.

For one thing, it recommends legislation be drawn up by November to establish a stock market, but proposes keeping corporations and plants under a planned economy when they cannot be taken under private ownership.

The other plan, formulated by Russian economist Grigoriy Yavlinskiy and a group of U.S. economists, is more radical in overhauling the Soviet economy toward a market system.

The plan, known as "The Window of Opportunity," calls for switching the Soviet economy to a market system similar to that of Western nations by 1997 through several steps.

Among other things, the plan calls for legislation needed for privatization of big corporations, ownership of property in agriculture, and price liberalization in a first period beginning June this year and ending in early 1992.

In the second period starting in 1992, budgetary and monetary stabilization would be sought through rapid cuts in all subsidies and introduction of value-added taxes and creation of a central bank that controls money supply like central banks in the West.

The plan envisages a conversion of military industries into those for civilian purposes and introduction of massive Western funds to develop social infrastructures in the third period starting in 1993.

The scheme estimates the scale of Western financial assistance needed to launch these reforms at more than 10 billion dollars in the initial stage.

The plan also says the equivalent of some 0.6 percent of gross national products of the 24-member Organization for Economic Cooperation and Development (OECD) would be needed to flow into the Soviet economy annually over a four-year period.

Gorbachev reportedly will combine the radical reform plan with the anticrisis program as well as two other reports compiled by international financial organizations to back his case for Western support at the London summit meeting.

Pavlov Discusses G-7 Talks, Other Issues

LD1207230191 Moscow Central Television First Program Network in Russian 1905 GMT 12 Jul 91

[Interview with USSR Prime Minister V.S. Pavlov by correspondent L. Khatayevich; place and date not given—live or recorded]

[Text] [Khatayevich] Valentin Sergeyevich, don't you think that the publication of the program which people can read in IZVESTIYA today, and the fact that it is being published just prior to Mikhail Sergeyevich's trip to London for the meeting with the leaders of the seven, in a sense represents the completion of the whole of the first stage of the work of your cabinet?

[Pavlov] You know, I wouldn't see it as the completion. I'd describe it as the result of the reflections, assessments, approaches, and endeavors which have taken place over this period in order to define what should be done, and how, from the point of view of the priority measures and immediate steps that the government must take. Admittedly, I can also say something else, of course: While drawing up our program, we did not approach it according to the reasoning that we must first have a program, and then start implementing something. As we worked, we tried to ensure that if something was clear to us, if some element or section had been worked out, then it should immediately be put into practical implementation. This whole program is at the same time geared toward a sequence of measures that will lead to the final strategic objectives of building a mixed economy and the creation of what will essentially be a new type of owner, and a new place for labor collectives and working people in this economy. It is genuinely an action program, and it is already being put into practice today.

[Khatayevich] Valentin Sergeyevich, Mikhail Sergeyevich's support team includes representatives of the cabinet and his immediate advisers, so to speak, like

Primakov. But it also contains Yavlinskiy, who, in cooperation with the Americans, drew up his own version of the program. Does that mean that Mikhail Sergeyevich's partners in the London talks are going to consider these different options, and on what will our president be relying primarily, if you can say?

[Pavlov] He will naturally arrive with a program of further political and economic reforms in the Soviet Union. There is a long-term program, and there is the anticrisis program, which must be regarded above all as tactical actions to put the economy in order and to overcome today's practical difficulties, which are there for each of us to see. At the same time the purpose of the program is to pave the way for many strategic decisions and to ensure strategic solutions. This is why, I think, those taking part in the London gathering are primarily representatives of world politics, and in this sense, world politics is what our president will represent. The main job of the support group is to support the president—not to propagate their own programs there. Their task is strictly specific. In the course of the talks their duty will be to present a range of different ways in which various tasks can be solved, so as to offer our country and the world community the most favorable solution based on mutual benefit. The leader of the country must be given the opportunity to have a variety of comparable options from which he could immediately choose; after all, if you make one choice then the result will be such and such, and if you make another choice, then the result will be different. This is why such a specter of options is being brought together. The idea is to ensure variety to not become bogged down, when considering such large-scale issues, on one sole approach or one sole solution. After all, we all know that truth is born in an argument.

[Khatayevich] The world press, when covering the forthcoming meeting between G-7 and Mikhail Sergeyevich Gorbachev, has persistently tried to puff up the rumors about major credits the USSR hopes to obtain from these talks, this meeting, and the discussion of our programs of economic reforms. To what extent do you believe this to be realistic, probable, and necessary?

[Pavlov] The question is being addressed today and considered at the political level. It all depends on what the current and future policies of the G-7 countries will be like, from the viewpoint of their interaction with the USSR, what the current USSR position is like, how these two can be combined, and how they can be made as workable as possible, and how the political gates can be opened, to enable industrialists, merchants, financiers, and so on, to get on with it in the future.

It is not the business of the presidents to negotiate on who will invest financial or material resources in what projects, or who will directly carry them out and on what time-scale and where. That is a rather different area. But of course, we have all these studies which it would be desirable, say, to propose to the West. In that sense, apart from the Cabinet of Ministers, there is no one to carry out such things, and we have been carrying and still are carrying out such work. We are giving a wide gamut of projects that we could offer to the West for mutually beneficial cooperation on a large scale. In other words, this is the upper level. If any of the leaders has, as it were, the opportunity or the desire, so to speak, to take the plunge from the pragmatic point of view, as to what stage, as it were, of preparation or what—to assess their own interest from the point of view of their own industrial and financial circles, and in what aspect, so to speak, the Soviet Union—on a large scale, of course—intends to offer, and whether they have such an interest or perhaps they might want, for their part, to propose something else. [sentence as heard] In other words, on the level, I'd say, of the scale, well, at least of—if not of continents, then something near to that—the appraisal will be made and the discussion must proceed precisely on that plane. You understand, these are, in effect, gigantic potentials. This does not include, but on the contrary, presupposes that politically they will also open, I hope, the gates to cooperation between the direct producers....

[Khatayevich, interrupting] Valentin Sergeyevich, as far as I understand it, very important stategic issues will be tackled in London, which will determine, as it were, our country's future cooperation with the West. People are always interested to know what is in store for them in the immediate future, what we call tactics. So, what today is mainly on the minds of the Cabinet of Ministers, and what are the most immediate measures on the most acute issues of our economy which the Cabinet of Ministers, if we can speak of this, expects to take in the immediate future, by which I mean the second half of this year?

[Pavlov] You know, I would mention among those measures two issues: The food question, and the fuel question. It has to be said plainly that today we have very difficult weather, and the harvest, above all of grain crops, is not the record one we had last year. So it is all the more important, first, to reduce losses during the harvest, and second, to store and procure that grain and other types of produce. So today, on the basis of our anticrisis program, we—and the Union cabinet has also—made a decision on supplementary measures for bringing in the harvest, and for its, let us say, intensification. In particular, all this encompasses such a sphere as additional incentives for peasants to deliver grain and oil seed, say, in excess of the state order.

Frankly, we are undertaking extraordinary measures. We are taking a month's stocks for a whole number of consumer goods, including—indeed, at present we are including everything we can in this, such things as motor cars, refrigerators, and television sets. We consider this necessary. We would altogether ask our population for this period of time—August and September—to somehow support us, because it should be said directly that we will later compensate for this and balance everything in ensuing periods.

[Khatayevich] We said the second issue was fuel.

[Pavlov] I must say bluntly that the country's coal industry, despite the fact that it is working at present, and despite the fact that it has been transferred to the jurisdiction of the republics, has not reached the volume of extraction envisaged by the plan and forecast for this year, especially in respect of coking coal. Unfortunately, the supplies of coking coal to the national economy are at present at approximately the same level as they were during the strikes.

[Khatayevich] This is the coal that the metal workers require?

[Pavlov] Yes, it is. We have a level of 260,000-270,000 tonnes daily, while there is a need for a minimum of 320,000 tonnes, and in general, a normal requirement of 340,000 tonnes to be extracted daily. From this, one may make a conclusion about the position in which our metal workers now find themselves. This indeed is our greatest bottleneck. Everyone should clearly understand that without metal there will be no machines, and without machines not one sector of the national economy can function, whether it be agriculture, the coal industry itself, or housing construction.

[Khatayevich] What measures are being taken by the cabinet?

[Pavlov] I think we will now begin once again to simply go over all the decisions that we have been adopting by agreement with the miners. Regrettably I must say that there are some matters that still indeed remain outside the framework of the decisions.

And in this respect, accord is needed, first of all with the republics. Of course, the most complex and urgent question which will have to be resolved—and I don't think that the republics will be up to that on their own either—that question, which will have to be resolved together, is the question, excuse me, of supplying the population of these regions. One must be honest. We have always called for one thing—don't make a promise unless you can keep it, but if you have promised, then do it, even if you have to bend over backwards. Our country, and our people, in general, are so strong and have such a reserve of vital energy that I personally will not compare them with any state in the world. We have absolutely everything that is needed for the country to live and develop normally. Provided that we really do, unfortunately, recognize the danger and the threat to the country. Well, unfortunately, I do not yet feel that the question of crisis and threat really have been recognized, really have become... [changes thought] have reached the consciousness of all people. That is really a nationwide matter, because unless everyone realizes that it depends upon him personally, coping will, of course, be very difficult.

[Khatayevich] Thank you.

[Pavlov] You're welcome.

Gorbachev Message Conveyed to Kaifu in London

LD1307174491 Moscow TASS International Service in Russian 1617 GMT 13 Jul 91

[Text] London, 13 Jul (TASS)—A message from USSR President Mikhail Gorbachev to the leaders of the seven leading industrial countries was handed to Japanese Prime Minister Toshiki Kaifu here today in connection with the upcoming meeting in London.

The message was conveyed by Yevgeniy Primakov, member of the USSR Security Council, who met with Japanese Deputy Minister of Foreign Affairs K. Watanabe to discuss issues concerning the upcoming conference in London

'No Fixed Agenda' for Gorbachev-Major Talks

OW1507082491 Moscow INTERFAX in English 1200 GMT 12 Jul 91

[From the "Diplomatic Panorama"; transmitted by KYODO]

[Text] President Gorbachev is due to meet British officials in London on July 18, but there will be no fixed agenda, said the deputy in charge of the Soviet Foreign Ministry's 2nd European Department, Mr. Valeriy Krasnov. He explained the need for further contacts by the arrival in office of a new British prime minister. Although the Soviet president and Mr. John Major met each in Moscow on March 5, both of them want their dialogue to continue. It was decided to take the opportunity of Mr. Gorbachev's arrival for talks with G-7 leaders in London for further exchange between the two countries. The new round will also focus on key international issues.

However, bilateral relations will also come under discussion. The Soviet diplomat said that ever since Mr. Gorbachev had what he called "a first plunge" into British affairs in December 1984, "bilateral relations have changed as much as the two nations have," with the spirit of partnership and coordination of positions gaining in strength. The diplomat spoke of an emerging sign of trust pointing to a regular exchange of messages between the two leaders, and the nature of the dialogue maintained by their foreign ministers.

Mr. Krasnov said he was under the impression that the new British prime minister had assimilated what was positive in bilateral relations during Mrs. Thatcher's tenure of office. That Mr. Gorbachev's agenda in London also includes a meeting with Mrs. Margaret Thatcher symbolises his respect to her as a leading politician, and their mutual desire to keep up that useful exchange and purely human contacts they established in the past.

On the forthcoming human dimension conference in Moscow due in September or October, the Soviet diplomat said he was in possession of the official information that Britain would also take part. However, a final

confirmation will be given later pending the clarification of the human rights situation in the Soviet Union.

On the planned meeting between Mr. Gorbachev and Queen Elizabeth II, Mr. Krasnov said the royal couple had already met the Soviet president and his wife at Buckingham Palace two years ago. It was clear even then that such contacts were useful. The Soviet guests were given what he described as an informal reception. On the fate of the former Russian Tzar, Nikolay II, who had kinship links with the British throne, Mr. Krasnov said "the issue does not crop up in bilateral relations".

Bush, Kaifu Cited on START, USSR Aid

PM1407124991 Moscow SELSKAYA ZHIZN in Russian 13 Jul 91 p 5

[By I. Lebedev: "President's Opinion"]

[Text] Washington, 12 Jul—U.S. President George Bush said that in his view the Soviet Union is not seeking to conclude a treaty on the reduction of strategic offensive armaments in order to secure Western countries' aid. Answering journalists' questions during a joint news conference in Kennebunkport (Maine) Thursday with Japanese Prime Minister Toshiki Kaifu, who is on a working visit to the United States, Bush disagreed with assertions that President M.S. Gorbachev is advocating the speediest conclusion of a strategic offensive arms treaty in order to prompt Western leaders to give the USSR economic aid.

In turn, Kaifu, touching on the question of granting aid to the USSR during the news conference, said that "if perestroyka goes in the right direction the West should give support to the Soviet Union."

TASS Cites Bush, Mitterrand on Western Support

LD1407203491 Moscow TASS in English 2018 GMT 14 Jul 91

[By Aleksandr Krivykh]

[Text] Rambouillet July 14 TASS—French President Francois Mitterrand and U.S. President George Bush, who arrived in France on a one-day visit today, held talks in Rambouillet town near Paris.

The aim of the talks was to agree their positions on the eve of the London summit and discuss the meeting of the G7 leaders with the Soviet President Mikhail Gorbachev.

Differences between the two presidents were insignificant. The French and U.S. leaders said at a subsequent news conference that the Soviet president should be given support to carry out reforms.

However, they stressed that the point was not giving the Soviet Union a cheque for many billion dollars. Mitterrand noted that Moscow should be given assistance, above all technical aid, to rebuild its economy. But rescuing the Soviet economy is a job for the Soviet people and their leaders.

Perestroyka will be possible when the Soviet people firmly take the road of reforms and do it immediately, the French president stressed. "I express hope, as well as President Bush, that Gorbachev will succeed," Mitterrand said. "The talks with him in London is a prelude to new relations between the seven leading Western countries and the Soviet Union," he added.

In turn, Bush said that, as far as the START talks between the Soviet Union and the United States are concerned, the main issues have been settled. Some secondary obstacles remain, he added. They will be settled in the near future, the President noted.

Bush said that the United States will conclude a good deal with the USSR.

In conclusion, the two presidents spoke about the situation in Iraq. The French president noted that Paris and Washington, above all the staffs of armed forces of the two countries, maintain close contacts concerning the threat of nuclear arms' production by Iraq.

Bush emphasised that Baghdad should fulfill all resolutions by the U.N. Security Council. Iraq should stop seeking to realise its own nuclear programme which provokes U.S. concern.

The U.S. President departed for London after the news conference.

Mulroney Comments Link G-7 Aid, Arms Spending

LD1407174191 Moscow TASS in English 1717 GMT 14 Jul 91

[Text] London July 14 (TASS)—Asked by reporters whether the G-7 is ready to admit the Soviet Union to its membership and turn into a G-8, British Prime Minister John Major said with a smile that it is too early yet.

He cautiously responded to journalists' questions about the West's possible aid to the Soviet Union. Major noted that the Soviet president would have a good opportunity to set out his proposals at the summit.

According to the prime minister, he studied Gorbachev's message to the G-7 leaders. It is time now to determine whether these plans are feasible, what the outcome of their implementation will be and whether the central leadership of the Soviet Union is able to realise them, Major added.

In his opinion, a conclusion can be made only after talks with the Soviet leader.

Canadian Prime Minister Brian Mulroney said that the Soviet president's plan is remarkable for its constructive approach. However, it is somewhat doubtful that the G-7 would respond to it. However, he expressed hope that serious answers would be given to serious proposals.

Mulroney noted that some participants in the summit would try to discuss whether plans of reforms in the Soviet Union are serious when large amounts of money are spent not so much on industrial needs as on the renovation of armed forces.

If Gorbachev wants to meet a constructive approach from the G-7 leaders, his replies should be convincing, Mulroney said.

Italian Foreign Minister on Signal to Gorbachev

LD1407162191 Moscow TASS in English 1547 GMT 14 Jul 91

[By Sergey Startsev]

[Text] Rome July 14 TASS— "The present meeting of the G-7 should take a precise obligation to cooperate with Moscow and give a clear signal in Gorbachev's support. We Europeans shall work for this in London," said Italian Foreign Minister Gianni de Michelis describing the main goal of the forthcoming summit of the seven leading industrialised Western countries in London.

In an interview with the LA REPUBBLICA newspaper today, he stressed that Gorbachev's support is a far-sighted policy conforming to the interests of Europe, the United States and Japan.

Revealing Italy's position, de Michelis emphasised: "We want the London summit to take serious political obligations aimed at helping Gorbachev. The essence of the summit is not to utter general phrases and not to delay a decision, even by another year, but a political choice. We can think over later how to translate this choice into life".

Substantiating the idea of why the West should help the present Soviet leadership, the minister pointed to the extreme complexity of tasks facing it.

Gorbachev is to pass two important political stages in the near future: the approval by republics of a union treaty and the establishment of new political parties. It would be wrong to leave him in this situation without support, de Michelis noted.

The minister pointed to ineffectiveness to couple the West's economic aid with "some steps the USSR should make". In his opinion, this would lead to the logic of advancing mutual conditions.

"Thus, we run the risk of decelerating rather than accelerating economic reforms in the Soviet Union. This does not mean we give a carte blanche." The sides will find the link between progress in reforms in the USSR and the flow of Western investments, de Michelis explained.

"However, I regard as naive the idea of 'great exchange' between the West which gives money and Gorbachev who gives guarantees for a renewal in the Soviet Union."

He said that Italy does not favour the idea of giving immediate economic aid to the USSR. Italy believes that the Soviet Union should become a full-fledged member of the International Monetary Fund.

However, Washington evidently prefers giving the USSR a special status of an associated member of that organisation. Italy also favours the repeal of restrictions to credits, which were set within the European Bank for Reconstruction and Development.

The minister stressed that Western aid should be defined in conformity with the progress of liberalisation and reforms in the USSR. In addition, the flow of aid should go simultaneously and with the same speed as economic reforms.

Primakov Meets UK Finance Minister Lamont

LD1207183591 Moscow TASS International Service in Russian 1737 GMT 12 Jul 91

[Text] London, 12 Jul (TASS)—On the instructions of British Prime Minister John Major, Finance Minister Norman Lamont met here today with Ye.M. Primakov, member of the USSR Security Council. Primakov handed Mr. Lamont a personal message from M.S. Gorbachev to the British prime minister in connection with the forthcoming meeting of leaders of the seven developed industrial countries. Ye.M. Primakov also had a meeting with N. Wicks, John Major's adviser on the G-7 meeting in London.

German Expert Cited on Economic Assistance

LD1407131291 Moscow TASS in English 1302 GMT 14 Jul 91

[By Mikhail Stepovik]

[Text] Bonn July 14 TASS—The forthcoming meeting of the Group of Seven (G-7) leaders in london, which is to be attended by Soviet President Mikhail Gorbachev, will become an important stage on the way to deepening cooperation between Western countries and the Soviet Union, Gert Ulrich, head of the Foreign Economic Department of the Association of German Chambers of Commerce and Industry (DIH), told TASS.

At the G-7 summit, there will be a substantive talk on how to most effectively help transformation processes taking place in the USSR, he said.

It is quite evident that aid, including financial one, should be given for specific programmes. If a physician undertakes to treat a patient and prescribes medicines, the patient should undeviatingly observe the doctor's prescriptions. Otherwise, no medicines will help, Ulrich said.

This fully applies to the "ailing" Soviet economy. Credits may not be granted "for no particular reason".

They should serve to help change the Soviet economic pattern and promote the earliest transition to a market, the DIH spokesman said.

The Soviet Union's entry into the International Monetary Fund as an associated member acquires special importance in this connection. The question is expected to be decided upon during the G-7 summit, Ulrich added.

The granting of financial aid for specific programmes should not be viewed as something offensive or as a kind of attempt at diktat. It should be regarded as "assistance for the purposes of self-help", as a means to overcome the crisis as soon as possible, Ulrich said.

Western countries are well aware of the difficulty of the situation that has developed in the Soviet Union, primarily in the economic sphere. They are in no way interested in seizing upon the opportunity to attain their own ends. On the contrary, it is in their interest to prevent a break-up in the Soviet Union and help it to get out of the crisis and thereby contribute to stabilising the situation in Europe and throughout the world, Ulrich pointed out.

World This Week Views G-7 Meeting

LD1407180591 Moscow All-Union Radio First Program Radio-1 Network in Russian 1230 GMT 14 Jul 91

["The World This Week: International Review" program with Vitaliy Ivanovich Kobysh, IZVESTIYA political observer; Nikolay Vladimrovich Shishlin, PRAVDA political observer; and Viktor Nikolayevich Levin, All-Union Radio Observer]

[Text] [Levin] Hello, esteemed comrades. Today taking part in the World This Week program are: Vitaliy Ivanovich Kobysh, political observer of the IZVESTIYA newspaper; Nikolay Vladimirovich Shishlin, political observer of the PRAVDA newspaper, and Viktor Nikolayevich Levin, All-Union Radio observer.

Naturally all attention—not only of international journalists but also, I believe, of our listeners—is turned toward coming events: the conference of the big seven in London and the participation in the conference by USSR President Mikhail Sergeyevich Gorbachev, and what might come out of this meeting between our president and the leaders of the seven most economically developed countries.

[Shishlin] Viktor Nikolayevich, forgive me for interrupting you, but I think that since the program is called World This Week I would like to draw our listeners' attention to the fact that the meeting of the seven and Gorbachev's meeting with the seven, that is seven plus one, was present also in events of last week. I am thinking about Primakov's trip to Japan, Yavlinskiy's trip to Western European countries, the intensive diplomatic contacts and talks that were held by our leader with leaders not only of European states but also other countries of the world.

[Levin] Nikolay Vladimirovich, I would also add here the Novo-Ogarevo meeting between Mikhail Sergeyevich and the leaders of the republics. This too fits into the general plan of preparation.

[Shishlin] Indeed, and perhaps this meeting in Novo-Ogarevo was more important than the meetings with the representatives of foreign states, because the support for Gorbachev's position, for the Gorbachev platform, by the nine Soviet republics is of course a significant addition to his political luggage in the British capital. And of course the fact that the coming event is of a significant order—for the moment I am not speaking about its possible results—is absolutely clear.

And I would immediately like to note that I see as contrived all these speculations about what Gorbachev is going to take along with him, what Gorbachev is going to come back from London with, and so on. Gorbachev is not going there to ask for money. Gorbachev is going to London to open the door to new mutual relations between the Soviet Union and the Western countries. Gorbachev is going there to take a look into the next millenium and to prepare, to have a kind of fitting session of economic relations in the world which should conform to the needs of not only today but also tomorrow. That's why, I repeat, this indeed is a prominent meeting, prominent in its significance, and of course our president faces serious work in the British capital.

[Levin] Serious and very intensive. By now the schedule of Mikhail Sergeyevich's visit to London has been published. Literally every minute is scheduled over the two days, 17 and 18 July. On 19 July, before his departure, he is also going to hold several very important meetings. But these are things to come, so to speak, whereas now we should perhaps indeed take a look at what our president is taking to London.

[Kobysh] This is precisely the subject about which there is mostly talk and speculation, and even we journalists, who are regarded as informed people, don't know everything. That is because there are two points of view: One is that Comrade Gorbachev is going with a program which is a sort of symbiosis of that which Yavlinskiy drew up in Harvard with the Pavlov program; the other point of view is that he is going there, having leaned more toward one of these programs and again it is not clear which one. But one way or another both these programs are not being divorced, they are not seen as mutually exclusive.

[Levin] Well, if memory serves me right, at the latest briefing held by our president's press secretary, Ignatenko, he said it would be Gorbachev's plan. But as far as what this plan is going to be made up of—we will probably just have to wait a little more.

[Shishlin] But it seems to me that we shouldn't view London just in one dimension, not just as Gorbachev's coming meeting with the leaders of the seven. London has three dimensions, in my view. First, there are the

seven themselves, they have their own concerns, their own troubles, their own problems. And it is these problems that are going to be discussed at the very outset. The second London hypostasis is connected precisely with our leader's meeting with the leaders of the Western states. And finally the third London hypostasis—bilateral discussions which you mentioned, very intensive, including with American President Bush, with Japanese Prime Minister Kaifu, not to mention the British dimension, since there will even be a British day which will include negotiations with Major, Britain's prime minister, and a brief meeting with our old object of affection, Margaret Thatcher...

[Levin, interrupting] And with Kinnock.

[Shishlin]...and with Labor leader Kinnock.

[Levin] And a visit to the Queen.

[Shishlin] So here we have three dimensions and this, by the way, is something we could talk about.

As far as the meeting of the seven proper and the problems that are going to be examined at the meeting of the seven itself are concerned, indeed, Gorbachev, naturally, is going to be present invisibly in the course of these discussions, because it is a question of the state of the world economy and the tasks that have to be solved now. And we should say that tasks to be solved are complex.

First, what is characteristic today of the state of the world economy? I would describe it with the following simple word: a certain depression, after all. This does not apply to all the countries, this could not be applied to Japan and Germany, but as far as the American economy, the economies of Great Britain, France, Italy, and so on are concerned, they do feel the consequences of a certain decline that is brought about equally by domestic causes of economic development of these states and (?world) economic relations. And of course this is also connected with the consequences of the war in the Persian Gulf which, all in all, placed a heavy burden on them. I think this is going to be discussed.

The second circumstance is that in the world, side-by-side...against the background of this slowing down in the rates of development there is an evident—regretfully this looks somewhat different in our country—swift development of integration processes. We should not forget that next year the thing that is called the Common Market is going to have free borders for exchanging labor, capital, goods, and so on. It is going to be what is described by the currently fashionable phrase: a truly single economic space. And then there is the zone where Vitaliy Ivanovich Kobysh worked for a long time, the American zone. There, too, a free-trade zone is being created in North America with the participation of Canada and Mexico.

[Kobysh] Furthermore, since we are on the subject of America, in South America these processes are also now evident. Brazil, Argentina, Colombia, Bolivia, they too are now discussing these integration processes. These processes are also taking place in Central America. As far as we are concerned, these processes cannot be discussed without us. Nikolay Vladimirovich is right when he says that we are going to be invisibly present also at the first part of the meeting of the seven, because the Soviet Union, at the very least as a potential market, let's not overestimate it, let's not, say, exaggerate ourselves, but it is an enormous market, there is no other like it, it is there and it is clear that sooner or later it is going to become a very serious force and a very serious factor in international politics, at least in the politics of these leading economic states. That is why the discussion is going to have many aspects.

There will be discussion, presumably in the first part, about the Eastern European states. For some of the countries, Germany, for instance, that is not an abstract discussion. The GDR has become a part of Germany, yet it is still far, as you know Viktor Nikolayevich, from being absorbed. It is like two different states, as far as the standard of living is concerned, as far as labor productivity is concerned...

[Shishlin, interrupting] Ways of thinking.

[Kobysh]...as far as ways of thinking, the mentality is concerned. And all this requires serious discussion, especially when we refer to such countries as Poland, Czechoslovakia, Hungary, which are striving toward the Common Market.

[Levin] Yes, of course when we speak about our problems, against the background of the extension of integration processes equally in Europe and in America, North and South, our actions appear, well, simply absurd, of the sort that completely fail to fit into the development of world events. But such is reality and we will probably still have to overcome a great many difficulties, a great many disintegration phenomena before the realization of the necessity of combining efforts becomes global.

Even though our program is dedicated to international problems, we cannot not mention our own life here, because for us all world problems are merely a background to the development of our country. And it is our country's international relations that interest us first and foremost.

And so when we now speak about international problems, we are all probably thinking all the time, even if not speaking all the time, of Yugoslavia.

[Shishlin] I would like to round up the subject of the seven, and this is because there is, actually, one main issue. That is, whether Western countries will help the Soviet Union and whether they will give money to the Soviet Union. I would like to say with all frankness that, in fact, one of the issues which is going to be discussed precisely within the framework of the seven, is the issue of shortage of financial means. At the moment the demand for financial resources is very high, with an

obvious, and real, insufficiency of them, except in the cases of Japan and Germany.

[Levin] Well, but Germany has problems of its own...Vitaliy Ivanovich has very rightly pointed out here that the eastern lands do have to be towed.

[Shishlin] Yes, this is why I would like to say very definitely that, of course, no money will be given to us. As to opening the door a bit to new mutual relations and to help us to overcome the former autarchic policy—this is going to happen. Yes, this will happen. However, let us not anticipate the events. I have interrupted you—you wanted to talk about Yugoslavia. Please, we are listening to you, and so are our listeners.

[Kobysh] Well, no, now that you have told us that no money will be given to us—in order to prevent our listeners from losing heart completely—well, in fact, no money was expected. What we actually need is for us to be recognized as an equal member of this economic community of developed countries. We need technologies to be shared with us, we need all rules hampering our development and left over from the past to be lifted—those that do not give us a chance to engage in trade and economic relations on equal terms. That is, we need to ascend to a higher technological, technical, and economic level and enter the 21st century in a more or less modern way in spite of the fact that, inside the country, the cauldron is going to boil up for a very long time indeed.

[Levin] Well, and since we seem to have made things clear with the seven, let us turn to Yugoslavia. This subject is causing particular interest due to a number of circumstances. First, of course, it is a large country, and a European country. The CSCE process is only just starting to be actually institutionalized. I recall now that at the first meeting of the Council of Foreign Ministers of state-participants of the CSCE in Berlin, the Yugoslav issue was being discussed. Things had been boiling up there earlier, before the dramatic events of the last two weeks. Moreover, it was discussed, in accordance with all the canons of the Helsinki process, at the request of Yugoslavia. All the ministers of these—35 countries were already present there, Albania was accepted as the 35th—all of them spoke in favor of preservation of the unity of Yugoslavia and the principle of the inviolability of borders, so that no destabilizing factors are created in Europe. This is one point, and another point is that the Yugoslav events are so similar to what is taking place in our country that all that is happening there now is being somehow tried on for our size. Many people view the events in Yugoslavia, acually, from our own—Russian, Baltic, or whatever else—point of view. This also, doubtlessly, worries us a lot. That is why the position of the Soviet Union, an active position—this must be stressed, because Moscow sent the president's special envoy, Kvitsinskiy, first deputy foreign minister, who held very detailed talks in Yugoslavia...we are not waiting until the representatives of only the EC will fulfill the peacemaking mission there. We are also acting in favor of a democratic solution to this problem. But let us first try to decide what the actual root of the problem, in fact, is?

[Kobysh] Well, the root of this problem is obviously the same as in our case, you were right in saying that the events in Yugoslavia are very similar to what is taking place in our country. To sort out inter-ethnic disagreements is an almost hopeless business. It would be better just not to touch on them, because if you start to calculate how many square meters of land have belonged to whom and since when, then you will never reach any truth here. And, actually, what should the starting point be? Should we consider 1,000 years ago a sufficiently respectable date, or 20 years? Noone knows, and therefore makes this all extremely complicated, indeed. In any case...

[Levin, interrupting] You mean Serbian settlements in Croatia?

[Kobysh] Well, let us say, Serbian settlements in Croatia. Or, say, Hungarian settlements in a number of areas of the Yugoslav republics. But, anyway, if all this is to explode, it may turn out to be something extremely dangerous and similar to what happened at the beginning of the century, and it may lead to similar results. Here is a newspaper, the EUROPEAN, you know, I do not particularly like quotations, and long quotations even less. However, I would allow myself to quote because it is all formulated here especially well. The newspaper says that the results of the crisis in Yugoslavia for its neighbors may, among other things, lead to disturbances in the province of Kosovo, populated mostly by ethnic Albanians. Well, this is clear. Which in its turn will become a factor of pressure on tirana which will be tempted to come to their rescue. In the CSFR, that is Czechoslovak Federal Republic, the events in Yugoslavia led to worsening relations between the Czechs and Slovakia, that is, the relations have already worsened. Slovak nationalists have already sent a telegram of solidarity to the leadership of Slovenia, which has added to the worries of Havel, president of the CSFR, who is trying by all means to preserve the fragile unity of the Czechoslovak Federation. Hungary cannot watch impartially the events in Slovenia, either. A significant proportion of ethnic Hungarians live in the Yugoslav Republic of Vojvodina. In case of recognition, by Budapest, of the independence of Slovenia, they may become a target for a persecution campaign on the part of federal authorities—that is what they fear in Hungary. And so on and so forth, there is no end to this.

[Shishlin] But I think that another point of view is probably more justified. I understand a constant temptation to compare the situation in any country with that inside our country. But I think that these situations are, actually, quite different. And I by no means want to draw parallels between our Baltic republics and Slovenia and Croatia, although all of them are raising the issue of achieving independence. I think that talking about Yugoslav matters now, about a threat of civil war in that country—which in actual fact did already break out and

was manifested in a dramatic way, by human lives lost through this incinerating fire—however, I think that, as I say, each critical situation has a face of its own. And, perhaps, comparisons not only do not help to clarify the essence of the matter, but actually confuse the matter. Another matter the Yugoslav lesson shows is , in fact, that if you have constructed a federation and, say, it lasted for several decades, you must not think that this formula, discovered once and for all, will be serving you forever. This cannot be so because all state formations are living organisms which know the laws of their development. And when, now, the Yugoslav republics speak in favor of a union of sovereign states, for preservation of a single economic field of some kind and for close interlinks between the republics—this must be taken seriously. And here, contradicting myself, I will say: Same are the demands of our republics for real sovereignty and real independence, with close interlinks of republics with each other, they must also be taken seriously.

[Levin] Nikolay Vladimirovich, the whole contradiction consists in the fact that you are still trying the Yugoslav model on ourselves...

[Shishlin, interrupting] Exactly...well, although...

[Kobysh, interrupting] It would be difficult not to...

[Shishlin, interrupting] Although, I must actually say that it worries me when they try to punish this or that republic—I am talking both about Yugoslavia and about ourselves—for some independent opinions. All these attempts to punish only add more bitterness to these conflicts, to these passions and dramas.

[Levin] I will cite for you one example, a very recent one. Literally two days ago the VECER newspaper published the results of a public opinion poll in Slovenia. And 75 percent of the respondents there stated that there can be no question whatsoever of Slovenia being part of Yugoslavia. Answering why they thought so, they said it was after the actions of the Yugoslav Army. So here is what an attempt to solve the problem by force that brought about an opposite reaction.

[Shishlin] That is why such highly complex equations which arise in the world, arise in the development of various countries, they obviously have to be solved through political means.

[Kobysh] That's right, Nikolay Vladimirovich, what you are saying is fine, but they are not being solved through political means, and we get double standards here. We all know that in Ireland, for instance, war has been going on for several hundreds of years now and no political solutions are helping to solve this problem, and Britain will just not agree to Irish unity. Admittedly there are complications there, there are the Protestants, there are the Catholics—you know the story—and so on.

[Shishlin] Well, I strongly disagree wityh you, because, provided I understand you correctly, you believe that political means are bankrupt, while life shows that there are only military means. I strongly...

[Kobysh, interrupting] Not at all...

[Shishlin, interrupting]...disagree with you.

[Kobysh] We are both talking about...

[Shishlin, interrupting] Also in Ireland, by the way...

[Kobysh, interrupting] We are both saying the same thing, I think, that all means should be used but they should be used in every hotbed. Whereas the way it works out is that as soon as something arises on our side—let's still say habitually on our side, although it is no longer our side—it is immediately a problem. But the fact that for several decades now, if not centuries, the Basques have been trying to become independent of Spain, this somehow does not get discussed. The fact that...

[Shishlin, interrupting] It does not get discussed in our country...

[Kobysh, interrupting] The Flemish problem...

[Shishlin, interrupting] They (?probably) discuss it there.

[Kobysh] It does not get discussed in our country. The fact that the Flemish problem is a real problem, that the Flemish want to live separately from Belgium, all public opinion polls show it, that too is not discussed, as if the problem did not exist.

[Shishlin] But forgive me, where is this not discussed?

[Kobysh] It has not been discussed at the CSCE, it has not been discussed at a single NATO session, although Belgium belongs to NATO and this question could have been discussed there.

[Shishlin] I am not convinced, I am not convinced. I think all these ideas are far from incontrovertible.

[Kobysh] No, it seems to me that there should be one standard. Has Canada got a problem with the French population? It has. Everyone know's so.

[Shishlin] And so, what should this be [words indistinct]?

[Kobysh] I am not saying that the French Canadians have to split away. But no one is putting pressure on Canada, like, for instance, they are not putting pressure on Yugoslavia to give immediate freedom to Slovenia, Croatia, and so on.

[Shishlin] But I think that pressure was applied to Yugoslavia precisely in the opposite direction.

[Kobysh] That depends by whom and how. Here you have incidentally raised a very interesting issue. All Western European countries behaved differently in this situation, and differently at different times. Initially they got scared, initially there was panic that all this could erupt into a civil war. Then, when they saw that some

sort of pacification was taking place, that things were getting quieter, they began to look more soberly at this business, and then politicians' calculations came into play, and now they say openly that Slovenia is an independent republic and there is no force which could now force it to be within the framework of Yugoslavia. That's how the issue is presented.

[Levin] Well, but here again, there have been, actually, two stages in the position of the West. The first stage consisted in the belief that Yugoslavia should remain a single, unified state. Changes started to appear after the Yugoslav People's Army was used in Slovenia. Now they say that, allegedly, the Army was not sufficiently prepared for this, from the military point of view, and this was not sufficiently well considered, and so on and so forth. But this is not the point. The point is that Slovenians took a number of measures which, from the point of view of the Yugoslav Constitution, were illegal. But in answer to these illegal actions by Slovenia, no less illegal measures, as I think, were taken: bringing in troops.

[Shishlin] Sounds familiar.

[Levin] Very familiar, indeed. It is bringing in the troops that the reaction of the West was already different. It was here that those nuances appeared, when they started to say: Well, in this case we are certainly on the side of Slovenia. You see, this is a very complex issue, but I think that, once again, we need—at least, this is what I think—to understand: Using military force for settling such issues is inadmissible. It leads to the opposite results. Here you are wondering, even from the purely practical point of view, what are the central authorities trying to achieve? Is it the restoration of their omnipotence? This is impossible. You can, of course, say—as some comrades also say in this country—all this is just talk, there has not been any great Serbian chauvinism in Yugoslavia, however, all other republics think that it has been there. And they quote specific figures. Moreover, you see, even the arguments which are being used in Yugoslavia are bizarrely reminiscent of what has gained currency here. It turns out that Slovenia, the population of which constitutes a very insignificant part—well, if my memory does not fail me, it is 2 million people out of the total 24 million of the Yugoslav population—it gives nearly 25 percent of the total contribution to the central budget; it bears the main costs of the Yugoslav Army, again, disproportionately to its population. However, this is in proportion with its economic development. Slovenians think: We are being insulted. Others think that it is they who are being insulted. And it is very difficult to find an outcome, or to pull some kind of Ariadne's thread out of this ball, which would give a chance to get out and to find a way forward. But in any case, no matter what arguments are being used, I am quite sure that the argument of military force is not an argument. It is the opposite...

[Kobysh, interrupting] It does not resolve anything...

[Shishlin, interrupting] Well, I think that today we must think not only about the way things are in current Yugoslavia, but also what happens tomorrow. We must clearly see that there are several scenarios of development of the events in Yugoslavia. The first and most terrible scenario is a civil war. The second scenario—and it is also quite possible—is that the Yugoslav republics will manage to agree on the kind of transformation of the Yugoslav federal state where the republics' sovereignty and their independence will be strictly respected and this will help to make the links between republics more healthy and to overcome ethnic disagreements which are now shaking the country. Of course, there is the third scenario, as well—the breakup of Yugoslavia. And here I would rather agree that the break-up of Yugoslavia will affect not only Yugoslavia itself. It will seriously complicate the European situation as a whole and will cast a dark shadow on the development of the pan-European process.

[Levin] Last week, over the last few days, some gleams of hope appeared that Yugoslavia will be able to avoid the worst. And it is at this hopeful prospect that we are going to put a fullstop to our program today.

This is all for today's World This Week review. Taking part were Vitaliy Ivanovich Kobysh, political observer of the IZVESTIYA newspaper; Nikolay Vladimirovich Shishlin, political observer of the PRAVDA newspaper; and Viktor Nikolayevich Levin, All-Union Radio observer. Goodbye, esteemed comrades.

Political Observer on Significance of G-7 Talks

PM1407144591 Moscow PRAVDA in Russian 13 Jul 91 First Edition p 1

["Topic of the Day" article by PRAVDA Political Observer Nikolay Shishlin: "On the Eve"]

[Text] The London meeting of the leaders of the world's seven most highly developed industrial states, planned for 15 July, is imminent. On the threshold of it the attention of politicians and the press is almost entirely focused on the program for the USSR president's stay in the British capital. "What will Gorbachev bring with him?" "What kind of reception will he get from the 'seven'?" "What will Gorbachev take back with him to Moscow?"—these and other similar questions continue to be repeated day after day.

One might get the false impression that the traditional participants of the meeting have forgotten about their own cares and have switched over entirely to the Soviet Union's troubles, this is not so. The "seven" have their own packed agenda. In the supremely mobile world economy a complex new leveling process is taking place, and there is much to discuss. The qualitatively new phase in the development of the Common Market. The approaching creation of a free-trade zone in North America. The integration processes gathering momentum in the Far East and Pacific Ocean region. The growing worldwide demand for financial resources.

The economic, and not only economic, consequences of the war in the Persian Gulf, and the list goes on.

As is the custom, the work in London will take place on several "stories" at once, at the level of state and government heads, at the level of ministers, and at the level of experts. Relations within the "big seven" are by no means free from disputes, disagreements, and contradictions. In past years our media have assiduously written and talked about this in detail. But times and customs have changed. Critical opinions about Western countries are unpopular and unfashionable. When your own home is a mess, it is bad form to tell a neighbor that he appears to have a pile of garbage in that corner over there. But there are real contradictions, nonetheless.

I think the debate in London will be tense and that the "seven" will not be able to solve all their domestic problems, but it will be the first trial run for entry into the next millennium. In fact, the participants of the "seven" are rowing in the same direction, although with varying degrees of vigor, and this is vital for the attainment of results.

I mentioned entry into the next millennium. How it happens for the world and for us depends to a vast extent on the incorporation of the Soviet Union in the world economy. In my view this is the key aspect of the USSR president's upcoming meeting with the leaders of the "seven." I think it is futile for our experts and nonexperts to consider whether or not the world's rich are going to give billions of dollars to help Gorbachev. They will not, and this is no secret. Nor will Gorbachev be asking, either. London has a different purpose. Its purpose is to set in motion the process of incorporating the Soviet Union in world economic ties. It is a long process, but it could be quickened if the Soviet Union's resolve to be done with self-isolation, to escape from the chafing fetters of primitive trade and become a part of the intricate but effective modern economic relations, meets with a willingness on the West's part to countenance the USSR's new foreign economic strategy.

Does this approach meet the West's interests? I am convinced it does. Therefore I believe that London could be an historic milestone in the formation of new economic relations between our country and the rest of the world, and it will be.

But for this to happen we have to put into practice our oft-stated readiness to implement radical economic reforms. We have sat on the shore, arguing with one another whether or not the water is too cold or the current too strong, instead of having the courage to enter the market waters. The country has gone numb with all that sitting. It is time to swim away from economic mediocrity, from administrative utopias, and from hopelessly outmoded production relations toward new shores, to a sensible, healthy arrangement of economy, society, and country.

Mikhail Sergeyevich faces some hard and extremely crucial work in London. I am not just talking about the actual meeting with the "seven," but the busy schedule of bilateral conversations, each of which has its own purpose, its own political importance, its own value. I believe that the recent Novo-Ogarevo meetings, the official birth of presidential power in Russia, and the appearance of a new wave of public support for democracy and the policy of reforms will be a help to our president in his London meetings.

There exists the possibility of a broad consensus among the country's active and sensible political forces. I hope that the imminent completion of work on the draft of the new CPSU Program will add something of substance to this possibility. It would be criminal to miss this opportunity.

All honest Soviet citizens and our entire society want to see the USSR president's mission succeed. We wish Gorbachev and those traveling with him to Britain bon voyage, success, and a happy homecoming.

Shcherbakov Appeal to Gorbachev on G-7

91UF0978A Moscow TRUD in Russian
10 Jul 91 p 1

[Appeal of V. Shcherbakov, chairman of the General Confederation of Trade Unions of the USSR, to President M. Gorbachev: "On the Threshold of the Meeting With the Seven"]

[Text] Esteemed Mikhail Sergeyevich!

In a few days you are to set off for London for a meeting with the leaders of the world's seven most important industrial countries. We assume that exceptionally important negotiations, on which the future situation in the world and the further development of our country will largely depend, will be conducted there. For this reason I would like to express certain thoughts currently troubling our organization and its members.

The main problem, which will be a subject of discussion at the London meeting, will in all probability be the elaboration of new forms of the relationship of the 'Seven' and the Soviet Union for the period of its transition to a market economy based on a mixed form of ownership. We understand the kind of crucial choice with which you are faced in this connection.

On the one hand, it is becoming increasingly clear to the vast majority of Soviet working people that a rapid and cardinal way out of the present situation has to be found. For many years our country developed in accordance with the laws of a planned, completely nationalized economy, which led to a general shortage of basic necessities, an imbalance in industrial relations between individual enterprises and whole sectors and territories, the devaluation of a number of social gains and uncertainty as to the future.

Also increasingly clear to the working man is the fact that a solution may be found only on the path of an intensification of the economy, technical progress and the incorporation of the country in the world economy. Such a path will inevitably bring with it for the working people in the transitional period burdens and difficulties, among which will be unemployment, price rises and inflationary processes. But there is now no other way.

On the other hand, we see that people are being offered various prescriptions as to how to emerge from the current situation. Some people consider it possible to return to the old ways—to a touched-up administrative command system, to an "order" based on a firm hand, to isolation from outside influences and so forth. Some people are calling for a jump into the market, paying no heed to losses and leaping steps and thresholds.

We are for a decisive transition to a market economy with the creative use of world experience, and not spurning prudent outside assistance. Specifically, we advocate the creation in our country on a permanent basis of a tripartite mechanism (government-unions-entrepreneurial organizations, however weak they may appear at this time) which would discuss and formulate agreements on all future steps along the road leading to the market. Having concluded in April an agreement with the government, the General Confederation of Trade Unions took, as we see it, a step in just such a direction.

After all, the main thing that the country needs today is a spirit of harmony. It is necessary to tell the people the truth, however bitter, and simultaneously provide a clear prospect of development, painting a realistic picture of when, how and at the price of what efforts life for them will become better. On such a basis trade union organizations of all levels, of all schools, will, we are confident, be prepared to make a constructive contribution to the realization of the program of the country's emergence from the crisis.

Also, on the international scene, as we understand it, the Soviet Union is encountering a dual approach. There are reasonable figures who understand the kind of danger to peace a disintegration of our great country would represent and who are interested in helping it surmount the difficulties. It is with them, evidently, that you will be meeting, in the main, in London.

But there are also other forces, which are attempting to derive some unilateral advantages and seeking a weakening of the Soviet Union or its disintegration. There are also those in the international trade union movement. But we are convinced that good sense will prevail and we, for our part, will contribute to this.

It would be a good thing, I believe, for a result of your meeting with the 'seven' to be an arrangement whereby the West's industrial countries pooled their efforts in assisting the USSR's transition to modern market relations. It should be a question here, in our view, not of loans and credit but of broadly based plans for the restructuring of key sectors of the economy—oil, chemical, mechanical engineering and others.

Joint measures pertaining to preparation for work under the new conditions of employees of Soviet enterprises and establishments, economists, entrepreneurs and trade union activists would contribute to the implementation of such plans. As far as the last-mentioned are concerned, upon the conclusion of the London meeting we are thinking of addressing our trade union colleagues in the West on this issue.

And, finally, we listened with interest at the recent session of the International Labor Organization General Conference to the speech of the managing director of the IMF. He put forward five principles of "a growth-oriented strategy of economic adjustment." In the future also, I believe, a variety of plans and strategies intended for use in our country could be presented from overseas. Considering the experience of a number of other countries, it would seem to us essential that they undergo, in the spirit of glasnost, a preliminary "running in" in public opinion with the participation of the working people and their unions and only thereafter discussed in government and parliamentary circles. For any socioeconomic measure may, as practice shows, be properly realized only when given full understanding thereof and consent thereto on the part of the bulk of the working people.

Respectfully,

[Signed] V. Shcherbakov, chairman of the General Confederation of Trade Unions of the USSR

United States

Reportage on Bessmertnykh's Visit, Arms Talks

Meeting With Bush Noted

PM1207152091 Moscow PRAVDA in Russian 12 Jul 91 Second Edition p 4

[Own correspondent V. Gan report: "Vital P ound: Will the Soviet-American Talks Manage To Remove the Final Obstacles on the Road to Agreement on Strategic Offensive Weapons?"]

[Text] Washington, 11—At the USSR president's behest, Foreign Minister A. Bessmertnykh arrived in Washington for talks with leaders of the American administration. He is accompanied by General M. Moiseyev, first deputy defense minister and chief of the USSR Armed Forces General Staff; A. Obukhov, deputy foreign minister; and leading Soviet specialists in the sphere of arms control.

For Washington's political circles, this visit is this week's main event. It is viewed here as all but the final sprint toward the completion of work on the treaty to limit strategic offensive weapons. The talks, which have unexpectedly become deadlocked after dragging on for almost 10 years, are obstructing not only the organization of the meeting scheduled for the end of July in Moscow between the USSR and U.S. Presidents, but also the two countries' progress in the broader issues of their relations.

In this connection G. Bush announced today: "I am convinced that it is in our interests to hold the meeting with President Gorbachev in Moscow. We have many questions to discuss. But the resolution of the current problem is a kind of indispensable condition, and I hope it will be solved."

[In the First Edition of the 12 July PRAVDA, the following paragraph was substituted for the one above: "As THE NEW YORK TIMES wrote, Gorbachev and Bush 'want to finish with this treaty, because it symbolizes the old Soviet-U.S. agenda, which was built mainly around arms control, and to move on to a new one built around the widenin$_g$ of relations, economic ties, and U.S. assistance for the USSR's transition to political pluralism and a market economy.'"]

The delays in concluding the agreement on strategic offensive weapons are all the more irritating as, according to Soviet and American participants in the dialogue alike, the document is virtually ready. In general, differences of opinion remain over three technical problems. [In the First Edition the following passage was added: "...three technical problems, which have become the stumbling block. They concern, in particular, new types of missiles, the counting of warheads subject to dismantling [uchet demontiruyemykh boyegolovok], and the exchange of information on missile tests."]

As a rule it is believed that these problems are wholly surmountable given political will on both sides. Therefore, the visit by A. Bessmertnykh's delegation, undertaken within the framework of an agreement between the USSR and U.S. Presidents, is evaluated by experts as a convincing testimony to the Kremlin's and the White House's readiness to display such will. [The following passage was added in the First Edition: "In private conversations with journalists, representatives of the administration also note that, perhaps for the first time, they believe the elimination of the last remaining obstacles to be realistic."

["President Bush himself said the other day: 'It is very good that they are coming and there is still time to finish the job, so that we can hold the (summit) meeting at the end of July.' White House Press Secretary M. Fitzwater added: 'We hope that this boost from President Gorbachev and President Bush will prove sufficient to enable the participants in the talks to reach consensus' by that date.

["I felt something similar could be detected in the remarks of A. Bessmertnykh at Andrews Air Base near Washington, where his plane landed. Speaking to journalists, the minister said that 'one of the most important rounds of the talks' lies ahead. These discussions, he noted, will be devoted to the completion of the strategic offensive weapons treaty. 'I hope,' the leader of Soviet diplomacy added, 'that we will achieve progress in this respect. We probably will have the opportunity also to examine other questions on the Soviet-U.S. agenda, including bilateral relations, as well as the regional problems which we usually discuss.'"]

The first full working day of the Soviet delegation's visit—Thursday —began with President Bush's receiving the Soviet guests in the White House. [First Edition ends here, substituting the following passage: "Next on the schedule for joint work was talks with Secretary of State Baker, his deputy Bartholomew, and other representatives of the administration. Hopes of success are high, but let us, as the saying goes, wait and see..."] After the meeting in the Oval Office the Soviet minister told correspondents that the meeting with the President was short but very intense. "We outlined succinctly the possibility of reaching agreement on the treaty regarding strategic arms limitations."

A. Bessmertnykh added: "Furthermore, we touched upon the general situation emerging in our relations and briefly examined the prospects for the 'G-7' meeting in London. I communicated our president's considerations on this issue to G. Bush. Now he will study them. There was some discussion on the two presidents' forthcoming meeting in London, which will take place on a bilateral basis outside the context of the 'G-7' meeting."

The minister confirmed that he gave G. Bush a letter from M.S. Gorbachev but refused to reveal its contents. The chief of Soviet diplomacy said merely that "it

contains our president's main concerns regarding future interrelations with the world's leading industrial powers."

In the minister's words, whether or not the scheduled summit meeting in Moscow takes place will depend upon the outcome of talks with Secretary of State Baker. "Of course, we understand that the prospects for the summit meeting will also depend upon concluding the treaty on strategic offensive weapons," he said.

Your correspondent put this question to A. Bessmertnykh: "Are you empowered to make the final decisions on the remaining problems with strategic offensive weapons?" "We are fully authorized to complete work on the treaty. But let us see what difficulties may arise," the minister replied, adding that the differences of opinion which remain are not particularly significant.

In other words, the sides are inclined toward optimism. But there is no real point in tempting fate by making predictions.

Progress in Talks Noted

PM1407130791 Moscow PRAVDA in Russian 13 Jul 91 First Edition p 6

[Correspondent V. Gan report: "One Day Is Not Enough: USSR-United States on Path to Signing Strategic Offensive Arms Treaty"]

[Text] Washington—A few weeks ago President Bush was asked what proportion of work had been done toward achieving a treaty on strategic offensive arms reduction. His answer: The treaty is about 96 percent ready.

After the first meeting between USSR Foreign Minister Bessmertnykh and U.S. Secretary of State Baker, the head of the U.S. foreign policy department was asked whether that figure had changed as a result of the present discussions. After venturing the opinion that in the home straight of any arms control talks the questions remaining are always the hardest, the secretary of state declared: "A few weeks ago we were at the 96 percent mark, now we are at 97 percent. But we need the full 100 percent."

His words may indeed be taken as the denominator of day one of the talks being conducted here by the high-ranking Soviet delegation headed by USSR Foreign Minister A.A. Bessmertnykh, who is accompanied by General M. Moiseyev, USSR first deputy defense minister and chief of the USSR Armed Forces General Staff, and Deputy Foreign Minister A. Obukhov. The impression, of course, is twofold. On the one hand, an expectant public may be disappointed, and on the other, it would hardly be realistic to expect anything other than a snail's pace.

Judging from the actual atmosphere of the discussions and the tone of the comments by their participants, everything is different now. The ministers have held two rounds of one-on-one conversations. There has also been a plenary session of the USSR and U.S. delegations after which the experts' group got down to the difficult work of eliminating the mainly technical differences, which have acquired a largely political character—as usually happens in the final stage.

Thus no one was especially surprised that, when the ministers emerged to meet correspondents after over 4 hours of conversations, they acknowledged the need for "even more work."

I would not say that the positive tone of the comments on the eve of the talks has suddenly changed to negative. The benevolence, the desire to really find a way out of the maze of disarmament concepts—all these things were present both before and after the first day's conversations. Talking with journalists at the end of the exchange of opinions, Bessmertnykh and Baker affirmed that the discussions had taken place in a very good, businesslike, and constructive atmosphere. The Soviet minister said, and his U.S. colleague confirmed, that our side has brought a series of proposals aimed essentially at overcoming the outstanding differences on strategic and offensive arms. Now they are being studied by the experts, who are due to give their opinion Friday. In any event, they both declared their firm intention to "work flat out to achieve the maximum progress in overcoming the differences so as to make possible a meeting between the two presidents" in Moscow.

Bessmertnykh and Baker also discussed the Near East peace process, the situation in Yugoslavia, and questions relating to Iraq, the Baltic, bilateral relations, Afghanistan, and Central America.

Bessmertnykh Views Talks

PM1207184591 Moscow IZVESTIYA in Russian 13 Jul 91 Union Edition p 5

[Correspondent A. Blinov report: "USSR-United States: Most Complex Problems Left Till Last"]

[Text] Washington— Early Thursday morning, U.S. President Bush received Foreign Minister A.A. Bessmertnykh, who is visiting here. Army General M.A. Moiseyev, chief of the USSR Armed Forces General Staff, and V.G. Komplektov, USSR ambassador to the United States, also took part in the conversation.

"Your visit has begun at quite a busy time," G. Bush said. "This demonstrates President Gorbachev's interest and your desire to reach an accord on reducing strategic offensive arms, which is important for both our countries. I am grateful for that. I think that the American people see this as an important and principled step by the Soviet Union."

President Bush stressed that he attaches great significance to the forthcoming conversations with M.S. Gorbachev in London and is hoping for a Moscow summit, too. The U.S. President expressed satisfaction with the

accord on the forthcoming conversation between the G-7 leaders and the Soviet leader. "I think it will be successful," G. Bush said. "We all support the dramatic changes and reforms which you are carrying out."

The Soviet minister announced that he has come to the United States bearing a personal message from USSR President Gorbachev to the U.S. President. He also expressed readiness for productive talks in Washington on the question of concluding a treaty on the reduction of strategic offensive arms—one of the central points on the Soviet-American agenda.

At the end of the conversation with the U.S. President, A.A. Bessmertnykh shared the main points of that dialogue with Soviet journalists right in front of the U.S. President's residence.

"The conversation with President Bush was short but very meaningful. We briefly discussed the possibility of reaching an accord on the limitation of strategic arms. Both sides take this very seriously but it is too soon to talk about progress because the President is instructing the U.S. Secretary of State to work actively on these questions with us. These talks will begin in the next few hours.

"In addition, we touched on the general situation developing in our relations. We also talked about the prospects of the G-7 meeting in London. I conveyed to the U.S. President some of M.S. Gorbachev's ideas on this question. He is now going to study them. The President expressed readiness to further develop Soviet-U.S. relations and to contribute personally to their progress. I am very satisfied with our talk."

"What is the content of the President Gorbachev's message to President Bush?"

"That is the 'intellectual property' of the U.S. President at the moment. For that reason I cannot reveal its content. I can only tell you that it contains important ideas on our future relations with the leading industrial countries."

"Do you have any decisionmaking authority?"

"We have all the authority necessary to complete work on the treaty although we shall see what difficulties occur at the talks."

...The talks between USSR Foreign Minister Bessmertnykh and U.S. Secretary of State Baker and their delegations were held at the State Department. When the leaders of the diplomatic departments appeared after 1900 before journalists in the State Department foyer they highlighted the two main areas of the talks. The discussion of regional problems took place in a "good, businesslike, and constructive spirit," according to both sides' assessment. They broached the Afghanistan problem, the situation in the Near East and the possibility of convening an international conference on a Near East settlement, and questions connected with Iraq.

Judging from the comments of the foreign minister and the secretary of state, both the USSR and the United States support the strict fulfillment of the UN resolution demanding that Iraq cease its programs for the creation of nuclear and other weapons of mass destruction.

The situation in Yugoslavia. According to A.A. Bessmertnykh, there was a discussion of the situation developing in that country and of the actions of the USSR, the United States, the EEC, and the new pan-European structures aimed at normalizing the situation. "What is happening in Yugoslavia alarms us but at the same time we hope that this country will manage to preserve its unity and resolve the problems facing it by political means in the course of talks," the USSR foreign minister stated.

The second area of the talks was the question of completing work on the Soviet-U.S. treaty on the reduction of strategic offensive arms. "I would like to stand here before you and predict that we will achieve a result but I cannot," was how Secretary of State Baker anticipated the opening of the round of talks. "The closer the talks are to the finish, the more difficult they become," was how he summarized the results of the session.

In Baker's words, for some time now three problems have been the "stumbling blocks" at the talks: the definition of a new type of missile, the methods of reducing the number of charges on multiple-shot missiles, and the "thorny" topic of discovering the telemetry of delivery vehicles. The questions are technically extremely complex.

The U.S. side was given Soviet versions of compromise solutions to these complex problems. They were contained, among other things, in USSR President Gorbachev's letter to U.S. President Bush. U.S. experts are now considering the analysis of the Soviet proposals. They are expected to give their response at the next session on Friday.

Judging from Baker's comments, he was interested by the Soviet ideas on two of the three problems under examination. He termed the Soviet proposals on the telemetry and criteria of the new missiles "significant and substantive." J. Baker is less happy with the discussion on the problem of reducing the number of missile warheads.

In A.A. Bessmertnykh's view, even the third of the "difficult problems" was not left untouched. People should not think that we are deadlocked on this question, progress has been made on a number of aspects of the problem. The latest wishes on this theme were expressed in M.S. Gorbachev's letter.

As J. Baker noted, neither the United States nor the Soviet Union intend signing a treaty with incomplete content. Therefore, there is further intensive work ahead in the coordination of positions. The participants in the present round of talks will meet again in the morning at the State Department.

Delays Departure From U.S.

LD1407065391 Moscow TASS in English 0611 GMT 14 Jul 91

[Text] Washington July 14 TASS—The third day of talks between Soviet Foreign Minister Aleksandr Bessmertnykh and U.S. Secretary of State James Baker ended at about midnight on Saturday.

The delegations of the two countries continued intensive discussions of still unresolved problems concerning a strategic arms reduction treaty.

Although much was achieved during the talks on Saturday, not all matters were agreed upon. At 09.30, Washington time, groups of experts are to report to Bessmertnykh and Baker about work done by them.

In view of the continuing talks, the Soviet Foreign Minister and the U.S. Secretary of State instructed their delegations not to inform the press about the talks so far. They are expected to meet journalists on Sunday.

The Soviet Foreign Minister postponed his departure from Washington until Sunday. The U.S. Secretary of State, who is to leave for London, has likewise changed the time of his departure from the U.S. Capital.

TASS Cites Scowcroft

LD1407074291 Moscow TASS in English 0732 GMT 14 Jul 91

[by TASS correspondent Dmitriy Klimentov]

[Text] New York July 14 TASS—Brent Scowcroft, assistant to the U.S. President on national security affairs, said on Saturday that U.S. and Soviet negotiators had made progress on all major issues blocking a strategic nuclear arms reduction treaty and there was reason to believe it could soon be finished.

"We are making progress on all of the major issues that are outstanding and while we have not come to closure yet, there is still reason for encouragement," he told Cable News Network (CNN) television's "Newsmaker Saturday" programme.

Speaking about an assessment by the U.S. Administration of proposals contained in Soviet President Mikhail Gorbachev's message to the Group of Seven (G-7) leaders, he said this is a comprehensive exposition of his views on what he intends to do and how his steps could be connected with G-7 countries.

According to Scowcroft, an intention expressed in the message to seek integration of the Soviet Union into the world economic system is a radical change in the stand of the Soviet Union.

The U.S. Presidential national security adviser said that at present the United States is not prepared to agree to large-scale investments in the USSR or to big financial or economic aid because there are no preconditions that would indicate that the funds would be effectively utilised for the purposes of developing the reform and transforming the society.

At the same time, Scowcroft said, the governments of G-7 countries intend to engage the services of the International Monetary Fund and the World Bank to consider Soviet proposals, formulate initiatives in response and work out a plan for western aid which, if granted, would be productive, not wasted.

In response to a question about a possible linkage of economic aid to the USSR with political demands such as those concerning the Soviet Baltic Republics, Scowcroft said that this was unlikely because there were enough problems with economic demands.

Talks Making 'Slow Progress'

LD1407175291 Moscow All-Union Radio First Program Radio-1 Network in Russian 1600 GMT 14 Jul 91

[Text] At about midnight on Saturday, the third round of talks between USSR Foreign Minister Aleksandr Bessmertnykh and U.S. Secretary of State James Baker finished. The delegations of the two countries are continuing intensive discussion of the as yet unresolved problems of a START treaty. Although much was achieved on Saturday in a prolonged day of talks, not all issues have been resolved. Groups of experts will report to the ministers Sunday morning at 9:30 Washington time on the work done. So literally, the groups of experts are now reporting their results. We have just received a Washington report from our correspondent in the United States, Boris Kalyagin, who is following all the comings and goings of the meeting closely.

[Begin Kalyagin recording] Still, not all the problems were resolved when yesterday, just before midnight, the ministers decided to take a break until morning. Today the discussion resumed, but time for debating is restricted. James Baker must accompany the United States President on his trip to London for the G-7 conference. The leaders of the G-7 will also meet with the president of the Soviet Union.

Both the Soviet and the American sides would like to complete the draft of the treaty before this event. The talks have been going on for almost ten years, observed Scowcroft, United States presidential assistant for national security, and the time has come to finish them and move on. The latest difference, which remains a stumbling block, is connected with the so-called downloading [nedogruzka] of ballistic missiles. The essence of this is that once part of the nuclear warheads has been destroyed in accordance with the treaty, there will be, so to speak, vacant places for warheads in the carrier missiles. The military fears that in the event of a crisis, these might be filled again. The question concerns how many such vacant places can be preserved on the carrier missiles.

This might seem to be a technical detail, but it involves national security interests. That is why the discussion is making such slow progress. So today is the final and decisive day of the talks. [end recording]

'Very Satisfied' With Talks

LD1407233591 Moscow TASS International Service in Russian 2225 GMT 14 Jul 91

[By TASS correspondents Igor Barsukov, Aleksey Berezhkov, and Aleksandr Korolev]

[Text] Washington, 15 Jul (TASS)—Talks between USSR Foreign Minister Aleksandr Bessmertnykh and U.S. Secretary of State James Baker ended here on Sunday. The intensive discussions, which have been continuing since Thursday, were devoted in the main to resolving problems hampering the achievement of a Soviet-American agreement on reducing strategic offensive armaments.

"I would say that we have achieved enormous success in moving the strategic offensive armaments treaty forward toward a conclusion," stressed James Baker in a short statement for the press on the ending of the talks. We have managed to resolve nearly all the main problems that remained when Minister Bessmertnykh arrived in Washington.

Effectively, all questions except one have been resolved. This is a very technical question and our experts will continue to work on it.

Replying to a question about a Soviet-American summit meeting in Moscow, the secretary of state noted that he "does not have authority to predict such things, and it is best to ask Presidents Bush and Gorbachev about this when they meet in London on Wednesday."

"This is an enormous step forward on the road to the conclusion of a treaty on strategic offensive armaments. The long road to an agreement—nine years long—is indeed coming to an end," Aleksandr Bessmertnykh told journalists in his turn.

"I am very satisfied with the work we have done together with the American delegation headed by the secretary of state," he said. "We have managed to resolve the most complex problems that remained on the talks agenda." The Soviet minister expressed the hope that the sides will be able to consider and resolve "in the very near future" the question that remains without agreement.

Compromise Reported

LD1507070891 Moscow TASS International Service in Russian 0236 GMT 15 Jul 91

[Excerpts] Washington, 15 Jul (TASS)—[passage omitted] A.A. Bessmertnykh pointed out that success had become possible thanks to the willingness of the parties "to meet each other half way in an attempt to find a common denominator for necessary solutions." He said that on one issue in particular, possibly, the Soviet Union had made a greater concession. On another the United States had done the same. "This has been an enormous job, done with a mutual desire to reach a compromise," he emphasized.

The Soviet minister expressed the hope that the parties will be able to consider and resolve "in the near future" the question that remains without agreement.

President Bush Says Gorbachev Letter 'Fantastic'

PM1407161991 Moscow IZVESTIYA in Russian 15 Jul 91 Union Edition p 1

[Unattributed report from IZVESTIYA and news agencies column: "G. Bush: 'It Is a Fantastic Letter'"]

[Text] G. Bush has expressed a positive opinion of the letter sent by M.S. Gorbachev to the leaders of the seven leading Western industrially developed countries. "It is a fantastic letter," he said during a brief meeting with journalists in Kennebunkport. At the same time, he stressed that the United States does not agree with all the points in the letter. But, Bush stressed, "it is a good letter."

China

Kazakh President, Delegation Pay Visit

Tour Economic Zones

LD1307184591 Moscow Central Television Vostok Program and Orbita Networks in Russian 1530 GMT 12 Jul 91

[From the "Vremya" newscast]

[Text] Kazakh President Nazarbayev has arrived in the capital of the PRC after a trip around the country.

[Begin recording] [Reporter S. Kulikov] Relations between our country and China are developing at all levels. Direct links, trade, economic, and cultural links, border trade, and cooperation between twinned towns are all a sign of the fresh stage in our relationship.

The visit to China by the president of Kazakhstan, which borders on that country's Xinjiang Uygur Autonomous Region is further evidence of the fact that these direct contacts are reaching an ever higher level. [video shows Nazarbayev descending aircraft steps and shaking hands with welcoming officials]

[Video shows interview with Nazarbayev at airport] [Nazarbayev] Trade turnover over the past two and one-half years has risen between five and sixfold. As is well known, there are Kazakhs and Uygurs living on both

sides of the border. Many of them are related. A strengthening of these relations would therefore be very important both for the consolidation of people and for the stability of the situation. [video shows interview with Nazarbayev at airport]

[Kulikov] Nursultan Nazarbayev came to Beijing from the southern Chinese province of Guangdong, where the special Chinese economic zones of Shenzhen and Zhuhai, which were created 10 years ago, are successfully operating. [video shows economic zone]

[Nazarbayev] My delegation and I were interested in the work of the free economic zones. The leaders of the town and the leaders of the corporations received us very warmly and acquainted us in detail with the work of the zones. Inasmuch as our parliament has also adopted laws on free economic zones, it is very important for us to see how they operate. In general, it was enormously interesting. What development there has been in the short space of time since 1980! There has been the investment of 3 billion [currency not specified] in foreign capital. Indeed, their own cadres have quite frankly accomplished a miracle in their work there. The population is small, just 300,000, and now it is 2 million. The production of goods has risen from 60,000 yuan annually to reach 16 billion yuan, and 60 percent of the goods are exported.

[Kulikov] In Beijing the Kazakh president will continue to acquaint himself with China's economic and cultural life and will have meetings with the leaders of the Chinese capital and the country. [video shows footage of Chinese free economic zone] [end recording]

Meeting With Jiang Zemin

LD1407091791 Moscow TASS International Service in Russian 0319 GMT 14 Jul 91

[By TASS correspondent Vladimir Kashirov]

[Text] Beijing, 13 July. (TASS)—The state delegation headed by N.A. Nazarbayev, president of the Kazakhstan Soviet Socialist Republic [SSR] and first secretary of the central committee of the Kazakhstan Communist Party, is continung its official visit to China. Nursultan Nazarbayev, a member of the CPSU Central Committee Politburo, this evening met and had a friendly talk with Jiang Zemin, general secretary of the Central Committee of the Chinese Communist Party.

The head of the Chinese Communists said in the course of the talk: M.S. Gorbachev came to our country on an official visit two years ago and that put an end to an unclear period in the relations between the PRC and USSR. But this did not signify a return to the relations of the 1950's. We managed to create relations of a new type between our two countries and parties. In this way, I can state that the normalization of our relations and the establishment of friendship and good-neighborliness not only corresponds to the interests of China and the Soviet Union, but also serves the cause of preserving peace and stability in Asia and throughout the world.

We hope, Jiang Zemin emphasized, that both our countries will steadily develop and that the new interstate ties will grow stronger, while adhering to the socialist path of development.

In the course of the meeting, N.A.Nazarbayev handed Jiang Zemin a personal letter from M.S. Gorbachev, general secretary of the CPSU Central Committee, made a brief analysis of political and economic reforms in the USSR and Kazazhstan SSR, and talked about specific projects of mutually beneficial interest to the Soviet Union and China, for Kazakhstan and Sichuan. He thanked the Chinese leadership for the warm welcome shown to the delegation, for the opportunity offered to it to get acquainted with economic reforms in the PRC, and for the support for the first state visit to China by a delegation from sovereign Kazakhstan. For his part, the general secretary of the CPC Central Committee approved the stance of the Kazakhstan SSR in favor of the unity of the Soviet Union and the attainment of national accord.

N.A. Nazarbayev said, addressing Jiang Zemin: Your recent successful trip to Moscow and talks with M.S. Gorbachev found a great deal of support in the Soviet Union. At a difficult time for us, you are offering a lot of help to the Soviet Union, and this is very important.

The president of Kazakhstan reported that on 25 June, he sent a letter to Li Peng, the premier of the PRC State Council, in which he raised several important issues of economic cooperation to our two countries. Last year, he said, we laid the trans-Asian railway line between the USSR and PRC which can be used by the two countries very effectively for their mutual benefit. This railroad reduces the distance between China and Europe by 5,000 km, and Kazakhstan now has the opportunity to deal with Iran and Turkey. An airline is now operating between Alma-Ata and Urumqi, which could be extended to Beijing, and from there to Ankara. A student exchange between the Kazakhstan SSR and China can also be established.

Earlier the same day N.A. Nazarbayev met Tian Jiyun, vice premier of the PRC State Council. During a friendly talk, Tian Jiyun read out a reply to the Kazakhstan president's letter from Li Peng, head of the Chinese Government, who is now completing a trip around a number of countries in the Near East. In his message Li Peng expressed his readiness to both further develop traditional friendly links and also to develop cooperation between Sichuan and Kazakhstan.

Tomorrow the delegation headed by N.A. Nazarbayev will leave Beijing for Urumqi.

Gorbachev Message Delivered

LD1407085291 Moscow Radio Moscow World Service in English 0800 GMT 14 Jul 91

[Text] In Beijing, Kazakhstan's President Nursultan Nazarbayev has met with the general secretary of the Chinese Communist Party's Central Committee, Jiang Zemin, and has handed him a personal message from Mikhail Gorbachev.

President Nazarbayev briefed the general secretary on Soviet and Kazakh political and economic reforms and dwelt on specific projects that might be of common interests.

Jiang Zemin stressed his country and the Soviet Union would continue to develop and consolidate updated bilateral relations, remaining on the path of socialism.

Further on Message, Talks

OW1407144291 Moscow Radio Moscow in Mandarin 0900 GMT 14 Jul 91

[Text] Nazarbayev, president of Kazakhstan, met yesterday with Jiang Zemin, general secretary of the CPC Central Committee, in Beijing, and handed over to him Gorbachev's handwritten letter.

After making a brief analysis of the situation of political and economic reforms in the Soviet Union and in Kazahkstan, Nazarbayev briefed Jiang Zemin on drafts of some concrete plans which are of common interest to both China and the Soviet Union.

Jiang Zemin stressed that both the Soviet Union and China will unwaveringly and constantly develop and consolidate a new type of state-to-state relationship along the road of socialist development.

Nazarbayev Comments on Links

LD1407190491 Moscow Central Television Vostok Program and Orbita Networks in Russian 1530 GMT 14 Jul 91

[From the "Vremya" newscast]

[Text] The visit to the Chinese capital by Nursultan Nazarbayev, president of Kazakhstan, ended with a meeting with Jiang Zemin, general secretary of the Central Committee of the CPC. During his meeting, the aspiration of our country and China to develop economic, trade, and cultural links was confirmed.

It must be noted that Kazakhstan, as the biggest sovereign republic after Russia, makes a very great contribution to the development of these links. In the last few years, border trade between Kazakhstan and the neighboring Xinjiang-Uygur Autonomous Region of China has increased five times. Joint enterprises have been set up on both sides of the border, and cultural exchanges are expanding. The continuing talks in Urumqi have shown that the common language and culture, in both the literal and figurative sense, of the peoples living in Kazakhstan and Xinjiang are a kind of password for the development of those friendly, historical links.

During his stay in the PRC, the president of Kazakhstan has set out a whole package of specific mutually advantageous proposals aimed at the further expansion of ties betwen Kazakhstan and Xinjiang.

[Begin Nazarbayev recording] Our relations with the neighboring Xinjiang-Uygur Autonomous Region of China need to be regarded in the context of a general improvement of relations between the Soviet Union and China. In my opinion, very favorable conditions were created by the visit by Mikhail Sergeyevich Gorbachev in 1989, and this year by the talks with Jiang Zemin, general secretary of the Central Committee of the CPC and our President Gorbachev in Moscow. The documents that were adopted created good conditions for our visit, and for contacts. [end recording]

Contacts have shown that the Chinese side has great interest in cooperation with Kazakhstan. This was stated by Tomur Dawamat, chairman of the Xinjiang government:

[Begin Tomur Dawamat recording, with superimposed Russian translation] I believe that there are excellent prospects for our traditional links. First of all, I am thinking of barter trade, scientific and cultural contacts, the setting up of joint enterprises. The development of these relations will, of course, be helped by the plans for solving the transportation problem, the lines linking our two neighboring countries. [end recording]

It is worth speaking, in particular, about the plans proposed by Nazarbayev, which have aroused great interest here. These include the continuation of the railway line already in operation between the Xinjiang capital Urumqi and the Kazakhstan capital Alma Ata to Beijing and on to southeast Asia, in one direction, and to Turkey, Iran and on the Middle East in the other, which opens up impressive possibilities. It is like a restoration of the Great Silk Road of many peoples on a new, modern basis.

Among other proposals by the delegation from Kazakhstan was renewal of the work of consulates in Alma Ata and Urumqi, the exchange of students and cooperation in space. Both Kazakhstan and Xinjiang have direct relations with space. It is in these areas that the two countries have their space facilities. There are other interesting projects as well.

PRC Media Coverage

WA1507235591

For Chinese media reportage on the visit of Kazakhstan President Nursultan Nazarbayev to the PRC, including his talks with CPC General Secretary Jiang Zemin, see the Soviet Union section of the China DAILY REPORT for 15 July and subsequent issues.

Official Deems Border Talks 'Definite Success'

OW1507092491 Moscow INTERFAX in English 1200 GMT 12 Jul 91

[From the "Diplomatic Panorama"; transmitted via KYODO]

[Text] [no dateline as received] From June 13 through July 8, Beijing has been hosting the fourth round of talks between China and the USSR on the reduction of armed forces and the strengthening of mutual trust in the border region.

According to the head of the Soviet negotiating team, Henrich Kireyev [spelling of name as received], the latest round of talks, the first official dialogue between Moscow and Beijing on the problems of the border region, have been a definite success.

In an interview for DP [Diplomatic Panorama], Kireyev said that the latest round had been used to work out the basis for a future agreement on the border territories. He said that the talks as a whole had offered much cause for optimism and that the drafting of the new agreement was the culmination of the progress and nearing of positions which had been achieved with every new round [sentence as received]. He said that he was particularly pleased with the new prospects for agreement on the size and composition of military forces in the region, territorial questions and new measures designed to increase mutual trust.

In the near future, Kireyev said, the two sides would be meeting once more to finalise the details of specific sections of the agreement. He was unwilling to set a deadline for the signing of the agreement: negotiations were always, he said, extremely complex. The main thing was that neither side tried deliberately to delay proceedings.

The fifth round of talks are scheduled to take place in Moscow this autumn. According to tradition, of four annual rounds two are held in Moscow (in spring and autumn) and two in Beijing (in winter and summer).

Dalai Lama Speaks in Moscow, Visits Ulan-Ude

Hopes Visit Will Not Harm Ties

LD1307134491 Moscow TASS in English 1313 GMT 13 Jul 91

[By Sergey Petukhov]

[Text] Moscow July 13 TASS—On the eve of President Mikhail Gorbachev's meeting with leaders of the seven richest nations in London, the Dalai Lama, visiting the Soviet Union at the invitation of Soviet Buddhists to celebrate the 250th anniversary of Buddhism in Russia, called on the West to support the Soviet Union morally in order to stabilise the situation in the country.

Speaking at a press conference here today, the Dalai Lama said that Soviet reforms positively affect the international situation.

His visit is exclusively religious and does not have any political aims, the Dalai Lama said.

"I hope it will not harm improving relations between the Soviet Union and China," the head of Tibetan Buddhists said.

Buddhism has been professed by many generations of Buryats, Kalmyks and other Russian peoples, he said.

The interest in the religion is growing. Buddhism is especially appealing now because of growing ecological awareness and because it calls for harmony between people and between man and nature and renounces violence and aggression, he said.

During his stay in Moscow the Dalai Lama met representatives of various public organisations. Later today he will fly to the city of Ulan-Ude for celebrations of the 250th anniversary of Buddhism in Russia, which begin on Sunday.

He will take part in religious ceremonies in Ulan-Ude, Aginskoye (Siberia) and Elista (the Kalmyk Republic).

Urges West to Offer Economic Support

OW1507070891 Moscow INTERFAX in English 1230 GMT 15 Jul 91

[Transmitted via KYODO]

[Text] On a visit in Moscow, the spiritual leader of Buddhists Dalai Lama has said the Western countries should give support to the Soviet Union and to reforms launched in the country.

Speaking at a press conference on Saturday, the Dalai Lama said that the difficulties plaguing the USSR are not a result of reforms introduced by Gorbachev. They are a consequence of the preceding 70 years.

The Soviet Union is a vast country, said the Dalai Lama, and it's impossible to carry out full-scale reforms in all its parts simultaneously. According to him, the CPSU has preserved its influence, and its resistance to reforms is felt. The Dalai Lama expressed his admiration for M. Gorbachev which increased during his visit to Moscow.

With reference to relations with the Soviet Buddhists, the Dalai Lama said he favours closer contacts with them.

Leads Worship in Buryatiya Capital

LD1407220491 Moscow TASS International Service in Russian 1515 GMT 14 Jul 91

[By TASS correspondent Sergey Trofimov]

[Excerpts] Ulan-Ude, 14 Jul (TASS)—The 14th Dalai Lama, leader of the world's Buddhists, who is in the

Soviet Union at the invitation of the Central Spiritual Directorate of Buddhists of the USSR, today led the worship in the capital of Buryatiya (a republic in the Transbaykal area) marking a great festival for Soviet Buddhists. Two-hundred-and-fifty years ago, in 1741, a decree by Elizaveta Petrovna, empress of Russia, granted the official status of state religion in Russia to the teachings of Buddha. At the same time, the clergy of Buryatia swore an oath of allegiance to the Russian State for the first time. It was with great attention that those present—over 20,000 followers of the teachings of Buddha—listened to the greetings of his holiness. [passage omitted]

After the service, a decision by the government of Buryatiya on returning to Buddhist temples over 2,000 religious objects confiscated from the temples by bellicose atheists in the 1930's, was read to the congregation.

Northeast Asia

Japan's Nakayama Cited on Aid for USSR

LD1407143691 Moscow TASS in English 1425 GMT 14 Jul 91

[by TASS correspondent Vadim Yegorov]

[Text] Tokyo July 14 TASS—Japanese Foreign Minister Taro Nakayama today described Soviet President Mikhail Gorbachev's message to the Group of Seven (G-7) leaders about Soviet economic reforms as "too convenient" to Moscow, the KYODO TSUSHIN news agency reports.

This was the first official reaction by Japanese "Government quarters to the consideration set out by the Soviet leader about further reforms in the Soviet economy and the West's possible involvement in them.

Nakayama, who is now in London, told KYODO TSUSHIN that the summiteers would not agree to give financial aid to the Soviet Union.

As far as Japan's own position at the forthcoming G-7 summit is concerned, Nakayama reaffirmed the intention of Prime Minister Toshiki Kaifu to urge the Soviet Union to make a resolute turn to a market economy, slash military spending, mend the deficit of state finances, render open economic statistics, including those on gold reserves, and practise its "new thinking diplomacy" on a global scale.

Nakayama said Tokyo intends to suggest during the G-7 summit that a group of experts be sent to the USSR to promote Soviet defence industry conversion, as well as grant a credit of 200 million dollars through commercial banks for the Soviet side to repay debts to Japanese companies.

The Japanese foreign minister voiced readiness to meet his Soviet counterpart, Aleksandr Bessmertnykh, if the latter visits the British capital.

Gorbachev Reception of Japanese Aides Reported

PM1407145191 Moscow PRAVDA in Russian 12 Jul 91 Second Edition p 1

[TASS report: "Meeting in Kremlin: USSR President Receives Japanese Prime Minister's Message"]

[Text] On 11 July M.S. Gorbachev met with Ambassador Sumio Edamura, and Nagao Hedo, who presented a message from Japanese Prime Minister T. Kaifu. There was a short talk on the main questions raised in the message—M.S. Gorbachev's forthcoming meeting with T. Kaifu in London and Soviet-Japanese relations in the light of the USSR president's recent visit to Japan.

M.S. Gorbachev confirmed the commitment to the course of improving those relations and toward forming new relations between the USSR and Japan. The progress achieved during the preparation of the visit and since then has opened up an opportunity for progress in all the directions envisaged in the documents signed in Tokyo in April.

The ambassador also stated that there are good signs providing evidence of such opportunities.

Ye.M. Primakov and A.S. Chernyayev were present.

Rogachev, Japanese Official Discuss Agreements

OW1307025591 Moscow Radio Moscow in Japanese 1400 GMT 12 Jul 91

[Text] Soviet Deputy Foreign Minister Rogachev met today with Nagao Hyodo, chief of the European and Oceanic Bureau of the Japanese Foreign Ministry. During their meeting, the two discussed concrete measures to implement agreements reached between leaders of the Soviet Union and Japan. Japanese Ambassador to Moscow Sumio Edamura also was present at the meeting.

Supreme Soviet

Gorbachev Reports G-7 Plans to Presidium

LD1207155691 Moscow TASS International Service in Russian 1514 GMT 12 Jul 91

[Text] Moscow, 12 Jul (TASS)—Today a session of the USSR Supreme Soviet Presidium, under the chairmanship of Anatoliy Lukyanov, was held in the Kremlin with the participation of all the Union parliament's deputies groups.

The session listened to a report by USSR President Mikhail Gorbachev on his coming meeting with the leaders of the heads of seven Western states. Giving an extended characterization of the London meeting, the USSR president called it unique, opening up before our country good prospects for a more limited entrance to the world economy. Mikhail Gorbachev laid out clearly the USSR's position at the coming talks.

It was stressed that we will continue along the path of democratic transformations. A block of laws has been prepared and adopted which create a reliable legal base for the switch to market relations. An anticrisis program has been developed and agreed with the republics. Its implementation will allow the situation in the country to be stabilized and the transformations dictated by life to be conducted more actively and more broadly. The country is moving toward a mixed economy and economic freedom, and the equality of all forms of property are being established.

The USSR president gave a detailed evaluation of the social and economic development of the country on the eve of the meeting with the Seven. He stressed that the forthcoming talks will be dialogue of the equal partners. He outlined in detail the concept of the Soviet Union's entry into the world economy and the development of cooperation with other countries. He answered questions from the participants in the meeting.

The USSR Supreme Soviet Presidium, after considering the USSR president's report, supported the suggestions that Mikhail Sergeyevich Gorbachev intends to bring to the forthcoming talks in London with the aim of deepening cooperation with the leading Western countries. Participants in the meeting hope Mikhail Gorbachev will carry out this important state mission at the forthcoming summit with success and dignity.

Holds Press Conference

LD1207141191 Moscow All-Union Radio First Program Radio-1 Network in Russian 1215 GMT 12 Jul 91

[News conference by President M.S. Gorbachev at the USSR Supreme Soviet Presidium Hall for Soviet and foreign journalists on 12 July—recorded]

[Text] [Gorbachev] You know I have a few introductory remarks. I have just come from the USSR Supreme Soviet Presidium in which members of the Presidium and representatives of all the political groupings in the Supreme Soviet participated. I told them my thoughts with which I intend to go to London for the meeting with the representatives of the seven.

The report was listened to attentively and was followed by questions. The result was that my report was taken note of, and the thoughts which I recounted to them were supported. Thus, there is understanding about this in the country—I can say this—understanding which includes the importance of this meeting, and the necessity for discussion of the problems connected with the transition to new economic cooperation.

You must have noticed that I speak all the time about new economic cooperation. When I try to explain what I mean by this, then I mean that this is changing over from simply trading, from simply implementing individual projects, from simply bilateral or some other types of cooperation, to including the Soviet Union and the Soviet economy normally and organically in world economic links on the basis of the ru+les of the game accepted in this world economy.

Naturally this requires that we are present at and participating in the work of the most important economic institutions of the world economy. But in general—I can speak about the principled side of the problem —then it is necessary for them to come some way to meet us. We must change, in the first instance; otherwise we shall not be included in the economy.

How we are going to change, how we are now changing, and how we shall change in the future—that is one theme. But we are counting on the other states' coming some way to meet us. For today many restrictions exist connected with conducting a certain policy at a certain time. Frequently, this was connected, these changes were adopted in the conditions of the cold war and they still remain. They restrict, they hinder, they are barriers and obstacles on the path to wide links and cooperation.

There is a lot to be talked about. If anyone of you still thinks that Gorbachev is going to go down on his knees and beg the leaders of the leading developed states, then this is not serious. I think that we all have an interest in ensuring that the process which is finding its expression in the area of politics—these new forms of cooperation are accompanied by such important global consequences—it is important that this process should be supported on a firm basis of economic cooperation.

Therefore, I would say that this is a task of vast importance. If mutual understanding is reached, if we come to understand one another this time, if we move further toward meeting one another, I can forecast and predict in advance that all the processes which have started up within the framework of the new thinking and which have led us to the present situation which have provided this chance, then we shall travel far and confidently along this road that we have entered upon.

[Gorbachev] I have finished my introductory remarks. Now you can ask questions.

[(Dmitriy Volcic), Italian television] Mr. President, what concrete signs are there of this normal integration in society? What do you expect from London?

[Gorbachev] Within the framework of the concept, the essence of which I have set forth briefly, I will try to present the situation in the Soviet Union to my partners, all of whom I know well and with whom I have been cooperating for a long time already. Since I am saying that we have to meet each other half way and that both sides have to change, this means I have to show which way we are changing. And I hope that over there, not simply an interest will be shown in what we are doing here and the way we will be in the near future, but they will also say what is being undertaken, what one has to undertake, and what steps the leaders of those states are going to take.

I have a feeling that there will be a serious and significant conversation. After all, this is a forum and a meeting at which precisely political issues are solved and understandings attained, which—this understanding is then followed by certain steps of a political nature, either in the sphere of the economy and so on. On the whole, this is not a meeting of finance ministers. This is a meeting of leaders of major states of the world. We all must understand this. And a good deal of what will later take place, I think, both in the sphere of the economy, in the implementation of projects, and in cooperation within the framework of economic institutions of the world economy, within the framework of implementing investment projects, and in the sphere of finances, will depend on the way we will understand this.

[Novosti correspondent] First, on behalf of all my colleagues and myself I would like to wish you a bon voyage to London and good luck over there. We all need this very much. And in connection with this here are two questions, if you permit me. First, you used the word if when speaking of London. What will you regard as the meeting's success or failure? And the second question: The media have noticed that there are no military members in your support group. Could you please clarify this issue? Thank you.

[Gorbachev] It is easier to answer the second question: Since no battles with the use of arms of this service, either strategic or tactical, are envisaged, there will therefore not be any military people there. But this does not mean that, generally speaking, representatives of the military did not participate in elaborating the proposals and ideas. This is simply inconceivable.

In the first place, the way we will be changing will touch on our whole economy and all its sectors, and one of the questions is that of conversion. And I have to say that the fact that we will be proposing cooperation in the sphere of our defense sector conversion is perhaps the best proof of how we are changing and toward what we are proceeding—opening the gates to the holy of holies.

That's the first thing. What is a success and what is not a success? I think the fact that the meeting is taking place is a success, so there is already success. This means that as a result of joint efforts and gains and thanks to what we have been through in recent years we are able to meet in such a forum. This is already a success and this must be welcomed.

I think that in connection with this one may speak about one degree or another of mutual understanding, and this will depend on how quickly this cooperation proceeds. I have no doubt that it will indeed happen.

[Unidentified correspondent] The Bessmertnykh talks? [murmur from the hall] The Bessmertnykh talks.

[Gorbachev] If I did not have faith in the results, then such a mission would not have taken place. I hope that we are approaching the end of the preparation for this treaty on strategic offensive weapons.

[(Savchenko), TASS World Service] Mikhail Sergeyevich, what steps in the development of cooperation with the USSR can you expect right away from the leaders of the Seven as a direct result of the meeting? And what decisions, in your view, may be taken in the longer term, say before the end of the year?

[Gorbachev] I think that if we have the degree of mutual understanding on which I am counting, then after this it is possible to consider realistically that some mechanism or another or some working groups will appear to continue the work in an applied form on the basis of this political understanding. And subsequently—I must tell you that the business sphere of the USSR as well as of the world will make use of all the rest if this is achieved, this opportunity.

[ZDF TV correspondent] Mr. President, what do you think about the time frame for the Soviet troops withdrawal from Germany?

[Gorbachev] I think the same as I did when I answered this question at the news conference near Kiev. My views have not changed.

[Chernyshova, from the "Vremya" program] Tell me please, you were speaking about the fact that a two-way movement is being organized. Do you have anything you are taking to London about which we know nothing yet and what you will propose to the G-7 for discussion? Something new?

[Gorbachev] In general, as a rule, you know more. That is why I read what you say about the seven; and you know more, even about what is not taking place. But you are splendid people. You help us to see the ins and outs of things, worthy and unworthy things, and this is a very important process for thinking politicians—when the press is taking part in this process. I only add so that you won't make me tell you what I am going to tell my colleagues, but I will tell you that before the meeting I sent them—to everyone of them—personal messages, and they will receive it.

[KYODO correspondent] Mikhail Sergeyevich, please tell us specifically what cooperation you expect in London on the part of Japan? Thank you.

[Gorbachev] Greater than before, at least. [laughter] Yesterday I received a message from Mr. Kaifu. This was an answer to Comrade Primakov's visit to Japan and my message sent with this visit. It was a good message. It develops the dialogue and what we achieved in Tokyo then to a certain extent. On the whole I would say, as we say in Russia, the ice has begun to crack, the ice should drift.

[ABC correspondent] Mikhail Sergeyevich, tell us please, what is your attitude toward private ownership on the territory of the Soviet Union and your attitude to foreigners having private property on the territory of the Soviet Union? Thank you.

[Gorbachev] I proceed from the fact...namely, that our legislation and the program for moving toward the market are made up in such a way that they proceed from the fact that through reforming the relations of ownership and moving away from the total supremacy of state ownership we are moving toward a mixed economy, where all forms of ownership have equal rights and must be protected in the same way by the state and the Constitution.

That is why I imagine that the mixed economy will include all forms. That means that we will have some state sector left. I am confident we will have it and I am confident it will be significant, but I think there are all signs of it—the process of issuing stocks and shares will move very quickly and people will display an interest in it.

In principle, people are in favor of becoming the owners. They are only wary and afraid of the fact that all that has been accumulated in society by generations of people will fall into the hands of the shadow economy. People... [changes thought] By the way, the process of privatization, especially small-scale privatization, is already under way. It is already under way, and I think that as early as a year to a year and a half from now big changes will take place within the framework of small privatization with regard to trade, the services sphere, and small business.

What will be the ratio of sectors in this mixed economy? Some time ago we plunged into and started to engage ourselves—some in arithmetics, others in big mathematics, others in cybernetics—and started to draw models. I think that was the latest silly thing—yet again to work out a model and then drive everything into this model for a happy life, so that an individual... And our model, our latest choice lies in the following: There should be laws that assert everyone's rights: the right of every individual to use any form of economic management and to use this or that form of ownership. This is the most important. And this process will proceed, in one case, (?one stage) it will be faster, then slower. All these go differently. But it will truly be a mixed economy with great freedom for producers of commodities.

You know, there is yet another view on this. I talk to Mr. Major. And we are going to meet soon, and I will probably ask him this question again in order to clarify it since this is precisely the question you ask me from this continent, as it were. I ask: What exactly is your joint stock enterprise? How do you see it? Is it privatization? Yes, it is a type of privatization. And with us it is not. That is why, first of all, we should agree on terms.

It is common practice in the world to consider things as being private if they do not belong to the state. They can belong to one individual, or a group of people, or a collective, or an association, and so on and so forth. That is why maybe when we talk, often we do not understand each other correctly on the whole. After all, on the one hand joint stock enterprises are a sort of collective, a group of people or even stock holders, but they are pursuing their private interest here. And that is why in the West they look at it this way. That is why here there is still a lot of misunderstanding because we assess differently the meaning of things we are talking about.

[Moderator] There is someone on the far end. Otherwise there is some sort of discrimination. Please.

[AFP correspondent] What do you think [word indistinct] about the privatization of land?

[Gorbachev] I have already said several times what I think. As for questions of what is to be done to the ownership of land, I am convinced that this question is so very important, and those who know the history of this country and relations over the land and the way they were formed, they will understand me and why I raise this question. This is the prerogative of the people themselves. That is exactly why I put forward an idea at the time of the referendum so that people could solve the question of land ownership, private ownership of the land, and so on and so forth. Nevertheless, I am convinced that we need land reform with the transition or principles of the transition to all forms of land management at its foundations. I favor making the land available to people on certain conditions without a time limit to be handled by them, with the right to inherit it, so that people can feel they are proprietors of this land.

Let us recall the post-revolution period. The land was nationalized and given to peasants. As a matter of fact this project did not belong to the Bolsheviks, it belonged to the Socialist Revolutionaries [SR's]. And that is the way Lenin was. When he saw that the peasantry favored this project, not the project of the Bolsheviks but the project of the SR's, and backed it he said that it means that we have to put this project forward. And so he did so, and profound land reforms began to take place on this basis. And you can recollect how these processes were developing, how extensive and diverse the process was of setting up cooperatives on the land and various forms of using land. And this became a great incentive for the development of production forces and for people

who lived on the land to show initiative. They were getting this land from a rural community. Then, in a couple of years this rural community would reexamine the matter. This was done in a Russian manner.

But what can you do? This is the way we are, this is the nature of reality. We should take into account the way we are. I think the question of land ownership can be solved differently in different republics. Other traditions may operate there. But as far as the ownership of irrigated land is concerned, all our Central Asian republics have a critical attitude toward this. In general, I think we have adopted the correct course toward land reform so that the individual should feel that he is master on the land and conduct matters as he thinks fit and in the forms which he wants.

As far as the question of property is concerned—private property in land—then society will in the end determine this, I think. This is the prerogative of the people.

[Undidentified correspondent] (?If you are to get together now, how do see your task?)

[Gorbachev] I think that in general, looking realistically at the financial world and the world of capital, one can say that the amount of free financial resources in the world is small. Therefore, I think that the basic cooperation will not be via financial capital but via the implementation of projects and naturally with the appropriate financial servicing. I think this is the main direction. And, by the way, that is the fundamental correction which we are introducing in our approach to a changeover to foreign economic cooperation.

We have discussed this theme of the more purposeful use of everything that comes in within the framework of a possible expansion of cooperation including at the nine-plus-one meeting when I set out my thoughts on the parameters and principles of the concept which I want to propose to my partners. And we are coming to the opinion that some sort of interrepublican body should be set up here which would cooperate with Western investors and financial circles and that this would assess the most advantageous areas for investments and specifically outline and determine projects, and so on, for this cooperation—either the enterprise or the republic or even some private enterprise or... [changes thought] There are the most varied possible options. Hence, we are giving thought to this to ensure that this cooperation become different in nature and more efficient.

Are we going to finish now?

[Indistinct remarks from moderator]

[Unidentified correspondent] Please, if you can, sum up all the wishes that the republics expressed to you during the Novo-Ogarevo meeting before the London trip.

[Gorbachev] The first thing is that they approved it. Second, they are all firmly in favor of continuing the course of democratization, firmly in favor of the policy of moving toward a market economy. They are firmly in favor of accord.

[Questioner] Thank you.

[Gorbachev] If we do not let Terekhov ask a question it would be incomprehensible.

[Terekhov] Thank you, Mikhail Sergeyevich, this is the second time you are handing this over to me.

[Gorbachev] I think it is already the third time. [laughter]

[Moderator] That is very true.

[Terekhov] Terekhov of INTERFAX. Mikhail Sergeyevich, alongside the growing support for your policy, support for the policy of opening up to the world, and of democratization and economic reform in the country, unfortunately the opponents of this policy are also growing stronger and becoming increasingly active. Lately, as is usual before each plenum, the question is being raised of replacing the general secretary and so on. But it seems to me that your opponents are becoming more consolidated. Tell us please, where do you as president see the guarantee for the world and for us that this policy will not change even if the general secreary loses at the party plenum?

[Gorbachev] In the first place, the plenum cannot decide the question of the general secretary. It is the congress' prerogative. That is the first thing. In the second place, the course currently being implemented in society as a state policy practically coincides with the main principles and the program guidelines adopted by the 28th party congress. It expressed support for democratization, it expressed support for the market. You remember what sort of discussion we had then. Nonetheless, these main directions were then endorsed after a most acute struggle. That is why those who try to accuse the present leadership of departing from this, from this course... [changes thought] It is, I think, a substitution for arguments, an attempt, as it were, to make use of difficulties and of the current ills of this transition period ofr ours. But all this is so, and people expect changes and improvements.

I think, however, that it is necessary to get on with this course and with our changes and the reforms so that the situation changes for the better and the people...and that the pressure on people, as it were, should abate in this sense. That is the first thing.

In the second place, where do I see the guarantee? I see the guarantee in this: Despite all...despite all the criticism, the people are, nevertheless, in favor of the movement, even in favor of making the changes more radical in order to get into the new systems of running the economy faster, so that the new, democratically formed authorities can act with confidence—and this includes the executive authorities—and so that law and order can gain in strength in the country. Hence, society's support

and consensus is becoming stronger, favoring a continuation of the reforms and the preservation of political stability; more than that, making it stronger—and not confrontation which, all in all, may not just bury this course but also drag society into serious consequences.

Therefore, we count on common sense, on that large group of people who shout the least. The shouts are coming from the extreme right and from the extreme left, but the majority of people go on working in this situation and carry society and the country on their shoulders. And I am grateful to this group, which will always say its decisive word when it is needed.

TASS Reports News Conference

LD1207135791 Moscow TASS in English 1337 GMT 12 Jul 91

[By TASS correspondent Vladimir Isachenkov]

[Text] Moscow July 12 TASS—President Mikhail Gorbachev has said joint projects with the G-7 countries, rather than credits, will be the main direction in the Soviet Union's cooperation with them.

"Free financial resources in the world are scarce, and I believe that our cooperation will be mainly in implementing projects and their financing," Gorbachev told a news conference here today.

"We have discussed more purposeful use of what is received within the framework of possible broadening cooperation on the basis of Nine-plus-One agreement," Gorbachev said.

"We believe that an inter-republican body should be created to cooperate with Western investors and financial circles and assess more profitable directions for investments. After that, republics and enterprises would join cooperation," Gorbachev said.

Asked about specific decisions for broadening cooperation with the G-7, Gorbachev said he expected "the creation of working groups to elaborate a specific cooperation mechanism".

"If we reach the level of understanding I count on, a mechanism will be created and some working groups to continue applied work on the basis of the political understanding," Gorbachev said, noting that Soviet and Western business circles will immediately use the opening opportunities.

Asked about moves he expected from Japan, Gorbachev said he believed broader cooperation with it is possible than now. He said that recently he had received a message from Japanese Prime Minister Toshiki Kaifu in reply to the Soviet president's message conveyed by Yevgeny Primakov.

"This is a good message. It is somewhat developing a dialogue and what we reached in Tokyo," Gorbachev said.

Speaking about Foreign Minister Aleksandr Bessmertnykh's visit to the United States, Gorbachev noted that he hoped that "we are approaching the finishing stage of work on the Strategic Arms Reduction Treaty".

Asked about his attitude to private property, Gorbachev noted that "through reforming ownership relations and doing away with total state ownership, we are moving to a mixed economy, where all forms of ownership have equal rights and should be equally protected by the state".

The Soviet president said that in the coming year to 18 months, great changes will take place within the framework of small privatisation, and a considerable part of trade and service enterprises will be transferred to private owners. The equality of forms of ownership will also be the basis for a land reform, Gorbachev said.

Deputies Discuss Union Treaty

LD1107141991 Moscow TASS in English 1403 GMT 11 Jul 91

[By TASS parliamentary correspondent Vladimir Isachenkov]

[Text] Moscow July 11 TASS—A majority of speakers during today's discussion on a draft Union treaty in the Soviet parliament supported it, although they criticised individual provisions of the document. A resolution on the results of the discussion is expected to be adopted on Friday.

Rafik Nishanov, chairman of the parliament's Council of Nationalities, made a report on the basic principles of the draft Union treaty, emphasising that it constitutes a flexible combination of the rights of the Union and republics, although some important provisions have not yet been agreed upon.

Nishanov urged the parliaments of Russia and the Ukraine to agree to the centre-suggested two-channel taxation system.

The Russian Federation and the Ukraine insist on a one-channel taxation system, under which all tax revenue first goes to the republican treasury and only then republics at their discretion would refer a certain share of the tax revenue to the centre.

Russia and the Ukraine signed the anti-crisis programme of the USSR Cabinet of Ministers precisely on these conditions, and President Mikhail Gorbachev on July 5 had to endorse the programme with Russia's and the Ukraine's reservation that runs counter to the two-channel taxation system provision contained in the text.

"If Russia's and the Ukraine's demands for a one-channel taxation system are accepted in a new Union treaty, the central agencies would be forced to their knees and the Union would be devitalised," Nishanov said.

He also urged the Ukrainian parliament to expedite the consideration of the draft Union treaty, (out of all republics that signed the "9 plus 1" statement, the Ukraine turned out to be the only republic whose parliament has postponed the consideration of the draft Union treaty until autumn.)

Yuriy Kalmykov, chairman of the parliamentary committee on legislation, and Aleksey Boiko, member of the committee on economic reform, also emphasised in their speeches that without federal taxes there could be no question of the existence of a single state.

Only one parliamentary faction—the Soyuz influential group of deputies—takes an unambiguously negative view of the draft Union treaty. The group's Chairman Yuriy Blokhin stated today that the draft Union treaty was of an overtly confederative character and would lead to a break-up of the state and to fierce ethnic conflicts.

"The draft Union treaty provision that declares the USSR to be a federal state is simply a deception," Blokhin said. "The state, which lacks a common legislative or judicial system or a common economic basis, and the president of which does not actually wield any power, may not be referred to as a federation".

The adoption of the draft Union treaty would lead to the disintegration of the state "into a multitude of independent states with their own currencies and armies, Blokhin cautioned.

This would be followed by the sharpening of inter-ethnic confrontation prompted by the desire of national ethnic minorities to create states of their own and secede from republics, he said.

The leader of the Soyuz group called for bringing the draft Union treaty into line with the results of the March 17 referendum, "during which the country's citizens favoured the preservation of the united federal state".

The parliament's draft resolution, circulated among deputies today, suggests that the draft Union treaty be endorsed basically and that it be recognised as possible to sign it after an appropriate elaboration and coordination between republics with the participation of a plenipotentiary federal delegation.

Nishanov Report on Draft Union Treaty

PM1207112091 Moscow IZVESTIYA in Russian 12 Jul 91 Union Edition p 2

[Report delivered by R.N. Nishanov, member of the Preparatory Committee and chairman of the USSR Supreme Soviet Soviet of Nationalities, at USSR Supreme Soviet 11 July morning session: "On the Draft Treaty of the Union of Sovereign States"]

[Text] Esteemed USSR Supreme Soviet members, USSR people's deputies!

For more than a year highly intensive, creative work has been in progress to study the very complex problems of the national-state organization of the country's life and seek ways of radically renewing relations among our peoples, work which I would say took great political wisdom, spiritual effort, mutually acceptable compromises, and a high degree of responsibility. The consultations which started in the Kremlin's Chamber of Facets in June of last year among representatives of the republics and the Union, and continued fairly intensively in Petrovo-Dalneye and at Morozovka, culminated in equally intensive work by the Preparatory Committee at Novo-Ogarevo, where agreement was reached on the draft Treaty of the Union of Sovereign States which has been presented for the attention of the Supreme Soviets of the republics and the Union.

You know that the USSR Supreme Soviet, like the republics' supreme organs of state power, has on several occasions discussed the general concept behind the new Union Treaty and put forward a great many of its own ideas, proposals, and observations on the subject. This question was also discussed at the Fourth Congress of USSR People's Deputies, which in the main approved the general concept of the new Union Treaty.

On 17 March 1991 an all-union referendum was held, and this confirmed, by an overwhelming majority of votes, the support of Soviet people for the idea of preserving and renewing federal relations among the country's peoples. The Congress deemed it expedient to organize further work on the draft Union Treaty and to instruct the Preparatory Committee, consisting of the highest officials of the components of the federation, the USSR president, the USSR Supreme Soviet chairman, and the chairman of the USSR Supreme Soviet Soviet of Nationalities, to determine the procedure for concluding the treaty.

Thus the basic ideas, principles, and provisions of the proposed draft Union Treaty were formulated with the most active and equal participation of representatives of the republics and the USSR Supreme Soviet and its committees and commissions. It is important to note this, because not infrequently people try to make us think that the preparatory work has been done behind the scenes, in secret, and that the draft was prepared by a small group of anonymous authors. I can tell you in all certainty that all the work was organized openly, democratically in form and content, on a parity basis and taking into account the opinions of all the participants in the consultations, experts, scientists, specialists, the mass media, and the broad public.

At the same time an entirely natural question arises: How far does the present draft Union Treaty accord with the essence of the general concept supported by the Congress of USSR People's Deputies, with the hopes and aspirations of the country's peoples, and with the trends in social development that we are currently able to predict?

It should be recalled that the general concept of the Union Treaty formulates a number of provisions and conclusions reflecting our state's present sociopolitical development and the present-day level of interethnic relations.

First, there is the matter of preserving the integrity of the territory and its population within the borders established over millenia—and that is the foundation of the new Union—and of ensuring **historical continuity** in the development of our peoples' statehood. At the same time the preservation of statehood should presuppose an inner transformation of that statehood in such a way as to destroy all authoritarian and bureaucratic accretions in society's life and in its administration and to promote the full realization of the peoples' sovereign rights to freedom, democracy, and their own identity.

Naturally, therefore, the new Union treaty is founded on the state sovereignty of the republics, and the federation is now being recreated in the form of a Union of Sovereign States, which in turn is the possessor of state sovereignty.

Second, the following **principles** are formulated in the draft: equality of all individuals, regardless of nationality and domicile; equality of all peoples, regardless of size and level of development; interdependence of the rights and freedoms of peoples and ethnic communities and the rights and freedoms of each individual. These principles must permeate all the structures and mechanisms both of the renewed federation as a whole, and of each of its components. Whoever refuses to recognize or violates these principles in effect puts himself outside the Union, and indeed outside the world community, where common human values are recognized.

Third, we feel that a reasonably flexible and meaningful formula has been found for distributing spheres of jurisdiction and corresponding powers between the republics' organs and the Union organs, making it possible to seek the most rational and effective structures and methods of management of social processes. According to the draft, only those spheres that serve the **common interests and needs** of the republics and the whole country, and thereby safeguard the common interest of all the peoples, are assigned to the jurisdiction of Union organs. The question of the joint jurisdiction of the Union and the republics, exercised on equal and mutually beneficial terms, is formulated quite clearly.

In view of previous experience, when federal principles were supplanted by pure centralism, the draft pays considerable attention to the democratic nature of the formation of Union organs and their incorporation of the principles of rule-of-law statehood. The intention is to create a USSR Supreme Soviet which will be organically linked to the Supreme Soviets of the component republics of the federation and will ensure the equality of sovereign republics in resolving unionwide problems. This requires a clear separation of the legislative, executive, and judicial powers, in order to increase the effectiveness of state organization of society's life on a countrywide scale.

An objective analysis and assessment of the proposed draft Union Treaty offers every reason to assert that the general concept approved by the Congress of USSR People's Deputies and the USSR Supreme Soviet and supported by the nationwide referendum is sufficiently fully incorporated in the draft. We therefore have every reason to note the fruitful work done by the Preparatory Committee.

At the same time a number of provisions enshrined in the draft Union Treaty require some clarification and political interpretation.

First, the **name of the new federation**, or rather its essential characteristics. This question is provoking the most heated disputes and contradictory opinions in society, and in the Supreme Soviet too. And not without reason. The draft stipulates the name: Union of Soviet Sovereign Republics (USSR). Thus the adjective "socialist" is dropped from the Union's name. People ask: What about the question put to the nationwide referendum and the results of the vote on it? What about the Fourth Congress of USSR People's Deputies Resolution "On the Name of the Soviet State"?

True, the referendum question contained these words: "Do you consider it necessary to preserve the Union of Soviet Socialist Republics..." True, the Congress of USSR People's Deputies supported the proposal to preserve the present name.

I would like to ask you, esteemed comrades, to resort to calm analysis and reasonable compromise in resolving this question. And I will tell you why.

First, time is moving on implacably, and the pace of change in society's views and positions is now so rapid that ideas wither away and new ones spring up literally as you watch. In the course of the treaty process paramount importance was attached to the interests of preserving, first and foremost, federal relations among the country's peoples, among the Soviet republics as sovereign states.

The names of many of these republics no longer include the word "socialist," and that must be taken into account, so that this formula does not become a barrier to their entry into the Union. This will also apply to those democratic republics or states that decide to join the Union in future.

Second, in the referendum question the name of the Union is followed by the words "as a renewed federation of equal sovereign republics." This formula also received the support of the vast majority of those who took part in the vote. Furthermore the adjective "Soviet" sufficiently fully ensures an understanding of not only the form, but also the nature of our state system, both in relations within the state and in the international plane.

Third, a process of deideologization of interstate relations is under way in the world community, we are going over to a market economy based on a diversity of forms of ownership, we advocate a pluralist civil society, and we are forming a rule-of-law state; in these circumstances it can hardly be expedient unequivocally to ideologize our statehood.

Fourth, it is by no means a question of renouncing our society's socialist choice. As you know, the repository of socialist ideals and values is the people, the working people's masses, specific political forces and organizations. They and their programs will largely determine the trends in social development, through influence on state and legal structures among other things. Real progress toward socialism is not only a matter of programs and political slogans. It is a matter of concrete actions, the practical activity of millions of people, their historical creativity. I am clearly aware that such views may prompt both support and considerable objections. But I would like a due understanding and penetration of the essence of this very complex problem to be displayed here.

Substantial disagreements are prompted by the question of the **founders** of the Union and the procedure for signing the Union Treaty. A number of union republics adhere to the position that only states belonging directly to the Union should act as founders of the Union. But the former autonomous republics which have declared their sovereignty also want to be founders of the Union, and are quite understandably insistent on this point. I think this question can be resolved positively on one condition. That is the preservation of the integrity of the territories and population of the Union republics of which these former autonomous entities form part. The situation is undoubtedly complex and contradictory, and requires the greatest tact, mutual understanding, and sensitivity from everyone. The Preparatory Committee eventually reached a degree of consensus. For instance, a resolution of the RSFSR [Russian Soviet Federated Socialist Republic] Supreme Soviet states that republics belonging to the Russian Federation may form their own autonomous delegations, but will sign the Treaty as part of the common RSFSR delegation.

In the context of the question under consideration, I must mention the injustice of the views expressed by some people to the effect that the "center," by supporting the sovereignization of autonomous republics and other autonomous formations, is trying to dismember the Union republics, primarily the RSFSR. That is simply ridiculous. Union organs, and particularly the USSR Supreme Soviet, have always advocated the integrity of the country and the republics and the preservation of mutual understanding and friendship between all the peoples. But they have always believed that all peoples are **equal** and have identical rights to self-determination. Therefore any republic that recognizes the full equality of individuals and of peoples will always find support and help from us. And there is no need to invent things, still less to misrepresent the crux of the matter.

It is also necessary to have an accurate grasp of questions of the **extent, nature, and material provision** for the existence of the federal state. As formulated in the draft Union Treaty, the nature and limits of the Union organs' powers and the spheres of executive competence of the USSR and joint jurisdiction of the Union and the republics (Articles 5 and 6) make it possible to maintain federal links between the republics at the necessary level. But no one can fail to see that attempts to weaken these links, curtail them, and even substitute confederal links are continuing. And nearly everyone agrees to endow the Union with considerable duties and responsibility toward the republics, but at the same time seeks to restrict its potential for implementing these duties.

In the course of repeated and heated debates, a very important point was discussed, namely that a democratic federal state cannot be any such thing, cannot operate or exist, unless it has its own constitution, legislation, federal property, a unified financial system, and federal taxation.

Let us say clearly and honestly: If the aim is to reconstitute the USSR as a sovereign federal democratic state, it is necessary to affirm clearly that without those attributes, that is, territory, citizenship, property, finances (including taxes), and legislation, there can be no autonomous state. It goes without saying that all these attributes should have their source in the state sovereignty of the republics, should be formed on the basis of the peoples' sovereign will, and should conform to the tasks and content of federal links.

As you know, in the process of preparing the draft Union Treaty great difficulties had to be overcome in order to validate a new, more effective model of organization of the legislative, executive, and judicial powers at Union level. Several options were examined here, and in the event the Preparatory Committee arrived at the conclusion here proposed. But let us say frankly, not everyone, unfortunately, shares in this conclusion. This applies first and foremost to the procedure for forming the USSR Supreme Soviet, its structure, the distribution of competence within it, and its working procedures.

At the same time the "key" to a sovereign federal democratic state lies in the new way of organizing the USSR Supreme Soviet and its new way of functioning.

The greatest significance is attached to the creation of a Soviet of the Republics with a special structural and legal status. In the USSR Supreme Soviet committees and commissions many people insisted and continue to insist that the Soviet of Nationalities be preserved, with representation from all the country's peoples. This is, of course, a reasonable and highly democratic idea. But if you analyze it in depth, in the specific conditions of the renewal of the federation, you cannot help noting that its implementation could lead to the destruction of the two

fundamental principles of the modern-day organization of our society's life: the state form of community of peoples and the state sovereignty of the republics united within the Union.

In the proposed draft it is planned to stipulate that the Soviet of the Republics is made up of representatives of the republics delegated by their highest organs of power. This provision prompts mixed reactions. People are even saying that it is undemocratic, since direct representation from the population (by electoral districts) is replaced by the delegate principle in forming the Soviet of the Republics.

Many people fear that the "delegates" could become "appointees," that is, that the path will be opened up for voluntarism and diktat by the appointing organs, for them to delegate compliant deputies and recall the uncompliant. It is therefore proposed that consideration be given to a "constitutional or legislative filter" which would create a reliable barrier against the "new totalitarianism." These proposals can and must be studied, of course. But in any event the main idea of introducing the institution of USSR Supreme Soviet Soviet of the Republics in the form expounded in the draft Treaty is to give practical form to the policy of renewal of the Union, that is, to transform it into a Union of Sovereign States. In this way a permanent link is created between the republics' Supreme Soviets and the USSR Supreme Soviet, which will help to strengthen the country's unity and improve coordination in the functioning and development of the state and legal systems of the Union and the republics. And that is the way to form a common and to some degree unified rule-of-law space.

It is also important to bear in mind that deputies to the Soviet of the Republics from a republic belonging directly to the Union have a single common vote in deciding issues, irrespective of the republic's total number of deputies.

The draft Union Treaty proceeds on the basis of the historical continuity of statehood on our country's territory as a result of which it is legally linked with the 1922 Treaty on the Formation of the Union of Soviet Socialist Republics. Article 23 envisages that "The 1922 Treaty on the Formation of the Union of Soviet Socialist Republics will be deemed to have lapsed as of the same date (that is the date of signing) for states which have signed it." The juridical rights and duties taken on by the country after 1922 wholly and entirely transfer to the new Union of Soviet Sovereign Republics. It is quite natural and fair for most-favored-nation status to operate for the states party to the treaty with its coming into force.

Difficult questions are emerging due to the fact that not all the republics that currently belong to the Union under the USSR Constitution are now taking part in the treaty process. But it is too early to finalize things. Various sociopolitical forces in Armenia, Georgia, Moldova, Latvia, Lithuania, and Estonia, as is well-known, hold conflicting positions on this issue. It will certainly take time to reach sensible solutions. The peoples of the republics, whom, I believe, nothing divides from other peoples, will have the final say. As has been said on several occasions, including from this rostrum, it was not the peoples who offended one another, and they can quite well live in friendship within the renewed Union. Sooner or later realization of that truth will come without fail and make headway.

I would like to reaffirm now once again that we acknowledge and support the peoples' right to elect any form and any status for their statehood. It is merely a question of the **mechanism for implementing this**. Everything must only be decided by constitutional means. We have legislative acts that make it possible to resolve these difficult questions in a civilized manner, to the parties' mutual satisfaction. Hence too the provision in Article 23 which says that "relations between the Union of Soviet Sovereign Republics and the republics belonging to the Union of Soviet Socialist Republics which have not signed this treaty shall be regulated on the basis of existing USSR legislation and mutual commitments and agreements."

Article 26 of the draft Union Treaty says that "with a view to ensuring the continuity of state power and administration the supreme legislative, executive, and judicial organs of the Union of Soviet Socialist Republics retain their authority until the formation of supreme state organs of the Union of Soviet Sovereign Republics in accordance with this treaty and the new USSR Constitution." Thus eliminating grounds for idle talk and aspirations to dissolve the Congress of USSR People's Deputies and the USSR Supreme Soviet early or replace them during the transition period with some other organs. We think that there will be a normal, constitutional, legal handover of state power from one set of organs to another.

Comrade Deputies!

All the USSR Supreme Soviet's committees and its chambers' commissions have carefully discussed the draft Treaty and supported it by and large, but at the same time made a number of significant remarks and suggestions. These have been distributed to you. In generalized form the essence of these remarks boils down to the following.

First. The draft Union Treaty still lacks adequate **juridical quality** which is reflected in its concepts, terms, juridical links, and characteristics. This applies to the names of many phenomena (state, republic, component of the federation, spheres of jurisdiction, powers, and so on), the legal regulation of the structures to be created, and the extent to which the coordination of the principles, substance, and forms of the renewed Union is "clean." Incidentally, this is also mentioned in the Findings of the USSR Constitutional Oversight Committee, which acknowledged that the draft Treaty conforms with the essence of and the trends toward the development of constitutional and legislative regulation

in the country as a whole and the republics in particular. It is evidently necessary for specialists with top legal qualifications to thoroughly study the definitive version of the text and make the document conform fully to present-day requirements.

Second. Questions which, I would say, reflect the state-legal **means of regulating** the common economic and social space are causing deputies considerable disquiet. The republics are striving to own **all** the property on their territory. That elicits justified objections since property on any territory was created by the efforts of all the peoples.

But that is not even the issue, the issue is how we understand the economic and social space and what we intend to achieve. If we want to ensure the freedom of movement for commodities, capital, labor, and services without which the market is impossible, we have to create common conditions and mechanisms that are identical throughout the country.

Therefore the committees and commissions are right to raise questions of the need to define positions more clearly with regard to the regulation of complex economic (finance, credit, money supply, prices, etc) and production (power-generation, communications, ecology, etc) systems. I think that it is worth investigating each system and finding the optimum means of regulating it. Economic expediency and effectiveness should obviously take center stage here.

The USSR Supreme Soviet committees and commissions did not agree with the position held by the RSFSR and Ukrainian delegations, which submitted a proposal for a single-tier [odnokanalnyy] tax system to be set up, whereby all taxes enters the republics' coffers and they then earmark funds for the Union to meet the latter's needs and unionwide programs. Deputies reckon that if that were the case, Union organs would be brought to their knees and the Union would be drained of life.

In that connection I would like on behalf of the USSR Supreme Soviet to appeal to the RSFSR and Ukrainian Supreme Soviets to display understanding of this issue and adopt the appropriate decisions. I would also ask for your support, Comrade Deputies, in appealing to the Ukrainian Supreme Soviet to speed up its consideration of the question of the Union Treaty.

However, a three-tier [trekhkanalnyy] (federal, state, and local) tax system exists in most democratic federal states, which ensures that state structures at all levels have an interest in the effective functioning of the economy. Why do we not avail ourselves of this experience?

Third. A number of committees and commissions, particularly those for State Building, Legislation and Law and Order, and Nationalities Policy and Interethnic Relations, have voiced concern that the draft does not fully regulate the relationship between Union and republic legislation and particularly questions of **legal protection for Union laws**. If we are moving toward a federal state, we must recognize that Union laws adopted within the competence of the USSR Supreme Soviet and in accordance with prescribed procedure cannot be subjected to doubt at republic and local level and must be unswervingly fulfilled. Otherwise there is no point in putting about the illusion that we have created a rule-of-law state. The laws will not operate—there will be no rule-of-law state.

Fourth. The question of the USSR State Bank [Gosbank] and its economic and legal status is being particularly singled out and has been raised once again by the Committee on Legislation and Law and Order and the USSR Gosbank itself. A single common economic space, indisputably, needs a corresponding banking system. Of course, this has to be a new bank, slotted into the market economy, accountable to the USSR Supreme Soviet, and I do not think that a federal state can do without this kind of state bank.

Fifth. Many deputies, particularly from the republics not party to the treaty process, have advanced the suggestion that it would be better to confine ourselves at this stage to a common economic agreement. I do not deny the significance of economic treaties or of cultural, scientific, information, sporting, and other agreements. All types of ties are important for peoples. But **political ties** that reflect the combined, comprehensive interests of society are particularly pressing since they create a **base** for all other ties. That is the historic purpose of the new Treaty and we must insist on it.

There are also other issues to be discussed and coordinated with the relevant delegations from the parties to the treaty process.

In particular, these include the question of the procedure for signing the treaty and the legal consequences of this act. I think that once all the Supreme Soviets of the republics party to the treaty process have agreed and approved the text of the Treaty on the Union of Sovereign States it would be logical and advisable to convene a Congress of USSR People's Deputies, which is constitutionally the supreme power in the land, open up the Treaty for signing there, perform the most solemn procedure of ratifying the Treaty with the signatures of the members of the plenipotentiary delegations of the Supreme Soviets of the republics and the Union and their heads, and proclaim the formation of the renewed Union. At this Congress of USSR People's Deputies the USSR could renew the membership of the Constitutional Commission and instruct it and the Supreme Soviet to formulate the procedure for the discussion and adoption of the new USSR Constitution and new electoral legislation, including the procedures for the handover of the legislative, executive, and judicial powers.

And in conclusion.

Democracy and true political culture presuppose not only criticism, denial, and rejection of that which is subjectively displeasing but also a respectful attitude to people's labor and an objective assessment of what has

been accomplished. The knowledge and experience of state leaders, scientists, people's deputies of all levels, and representatives of various political currents, social groups, and nationalities has been incorporated in this version of the draft Union Treaty. Let us treat their labor with respect.

Conflicting, sometimes implacable political views and positions have clashed over the draft Union Treaty. Some people claim that this Union treaty, if signed, heralds the collapse and end of the Union, the triumph of separatism, nationalism, and anarchy. Others, counterbalancing the first group, assert that the new Union Treaty changes nothing and that diktat by the "center," "oppression" of the republics, lack of rights for the peoples, etc, still remain. Both extremes logically will lead to the abyss and deadlock.

It is time to realize that over the last few years a very great deal has changed in our country—and irrevocably too. We are now living in a different situation where the main impetus of government has shifted to the republics. Today Union organs mainly coordinate processes, without imposing anything on the republics. We cannot dictate our position on the Union treaty either. If everyone insists on their own point of view, we will never reach a compromise, we will not sign the treaty, or we will have 10 treaties.

The Union treaty represents an element of accord, a balance of mutual interests, the greatest step in reforming our country and our political, economic, social, and cultural relations.

But it is only a step, and not the definitive resolution of the problems. As soon as the initial, starting phase of the treaty process is completed, the **legal foundation** will be laid for the further formation of a whole system of links between the country's peoples. Straightaway there will begin the new, enormous, complex job of filling each clause of the Union treaty with concrete substance, establishing friendship and cooperation between people, activating the economy, and improving social conditions, work on cultural and scientific exchange, on everything that forms the essence of human life.

Let us adopt decisions of historical significance for the present and future of the peoples within our great country. Let us do this with a sense of our supreme responsibility for the fate of future generations, for the sake of peace, happiness, and prosperity.

Draft Union Treaty Resolution Published

PM1407152791 Moscow PRAVDA in Russian 13 Jul 91 Second Edition p 2

["USSR Supreme Soviet Resolution 'On the Draft Treaty on the Union of Sovereign States'"]

[Text] Having listened to and discussed comrade R.N. Nishanov's report on the draft Treaty on the Union of Sovereign States, the USSR Supreme Soviet rules that:

1. The draft Treaty on the Union of Sovereign States, submitted 18 June 1991 by the USSR president on behalf of the Preparatory Committee formed by the Fourth Congress of USSR People's Deputies, is to be supported on the whole. It will be possible to sign the treaty after it has been finalized and agreed among the republics with the participation of a plenipotentiary union delegation.

2. A plenipotentiary union delegation is to be approved to sign the Treaty on the Union of Sovereign States, comprising the USSR president (delegation head), the chairman of the USSR Supreme Soviet, the USSR prime minister, the chairman of the USSR Supreme Soviet Soviet of the Union, the chairman of the USSR Supreme Soviet Soviet of Nationalities, the chairmen of the USSR Supreme Soviet committees on legislation and law and order, on state building, on transportation, communications, and information technology, on international affairs, and on defense and security affairs, the chairmen of the Soviet of the Union commission on budget, planning, and finance and the Soviet of Nationalities commissions on nationalities policy and interethnic relations and on economic relations among republics and autonomous entities.

3. The plenipotentiary union delegation is to be instructed, when finalizing and agreeing the draft Treaty on the Union of Sovereign States, to be guided by the comments and proposals made by the committees, commissions, and members of the USSR Supreme Soviet and by USSR people's deputies. The republics' supreme soviets are to be notified of the USSR Supreme Soviet's position arising from the need:

a) to support the joint statement by the USSR president and the leaders of the nine republics that the paramount task in surmounting the crisis is the conclusion of a new Union Treaty taking into account the results of the all-union referendum;

b) to indicate in the draft Union Treaty that both the sovereign republic-states and the republics which are constituents of them on a treaty or constitutional basis are participants in the Union Treaty's conclusiuon and, accordingly, are subjects of the federation. Each of the republics has the right to sign the text of the Union Treaty;

c) to stipulate in the draft Union Treaty both the existence in the USSR of a single economic space and a unified banking system and the allocation to the USSR of the property necessary for it to be able to function normally as a federative state, including monetary resources coming directly into the union budget on the basis of USSR legislation;

d) to formulate in the draft Union Treaty a list of Fundamentals of USSR and Republic Legislation; to prevent the USSR suspending republic laws and the republics suspending union laws, while resolving possible disputes by means of consultation procedures or decisions of the USSR Constititional Court;

e) to discuss once again the question of electing both chambers of the USSR Supreme Soviet by direct elections, taking into account the representation of the peoples, and the question of the formation of the USSR Cabinet of Ministers, the USSR Constitutional Court, and other union organs by decisions of both chambers.

4. The plenipotentiary union delegation is to agree with the delegations of the republics' plenipotentiary representatives a final text of the Union treaty that corresponds to the principles of a renewed federative democratic state, with a view to signing it at a Congress of USSR People's Deputies.

A. Lukyanov, chairman of the USSR Supreme Soviet

The Kremlin, Moscow, 12 July 1991

Instructions for Signing Union Treaty Outlined

LD1207142291 Moscow TASS in English 1236 GMT 12 Jul 91

[By TASS parliamentary correspondent Ivan Ivanov]

[Text] Moscow July 12 TASS—The Soviet national legislature today approved "in principle" the draft treaty on the union of sovereign states and said it could be signed after appropriate revision and the centre-mediated coordination between the republics. A total of 307 deputies voted for the resolution, with 11 votes against and 18 abstentions.

The Parliament also named a Union delegation for signing the Union treaty, consisting of the Soviet president (head of the delegation), chairman of the USSR Supreme Soviet, the prime minister, chairmen of both chambers of the parliament, and chairmen of several parliamentary committees and commissions.

The high-powered Union delegation was given a number of instructions, from which it should proceed in the process of finalizing the Union Treaty. For example, the Draft Union treaty should envisage the creation of a single economic space in the USSR, a single banking system, provide the Union with property, needed for its normal functioning as a federal state, including with funds paid directly into the union budget in accordance with Soviet legislation.

It was also decided to inform parties involved in the negotiating process on the need to formulate in the draft the fundamentals of the legislation of the USSR and republics, to prevent the Union from suspending the laws of republics and republics from suspending Union laws, while settling the possible disputes by means of conciliatory procedures or decisions by the USSR Constitutional Court.

The Union Parliament also supported the right of former autonomous republics to sign the Union treaty.

The Parliament called for reconsidering the issue of electing the two chambers of the USSR Supreme Soviet by direct vote and forming the Cabinet of Ministers, the Constitutional Court and other Union organs by decision of both chambers.

The Supreme Soviet spoke out in favour of signing the Union Treaty at the Congress of USSR People's Deputies.

The parliament today adopted an appeal to Armenia, Georgia, Moldova, Latvia, Lithuania and Estonia that refused to take part in the negotiating process, urging them to get acquainted with the text and ideas of the Union treaty, to discuss them and find the form in which they could take part in the creation of a new state.

Appeal to Republics on Union Treaty Adopted

LD1207114991 Moscow All-Union Radio Mayak Network in Russian 1100 GMT 12 Jul 91

[Text] Discussion on the third and last variant of the draft Union treaty was completed at the fifth session of the country's Supreme Soviet today. The text of the country's Supreme Soviet's appeal to the parliaments of Armenia, Georgia, Latvia, Lithuania, Moldova, and Estonia was adopted. It contains an appeal to familiarize themselves with the text of the Union treaty, to discuss the document, and to find a way to participate in the creative process of the Union's renewal.

Information, Press Minister Confirmed

LD1207151791 Moscow TASS in English 1424 GMT 12 Jul 91

[By TASS correspondent Ivan Ivanov]

[Text] Moscow July 12 TASS—The Soviet parliament confirmed today the appointment of Mikhail Nenashev as Soviet minister of the information and press. 280 federal legislators voted for it, 32 against and 12 abstained from voting.

Mikhail Nenashev, 61, doctor of history, professor, previously held the post of chairman of the USSR State Committee for the Press (it actually fulfilled the functions of the Ministry of the Information and Press, which was created recently, after the formation of the Soviet Cabinet of Ministers).

Prior to that Nenashev was chairman of the USSR State Committee for Television and Radio Broadcasting, chairman of the State Committee for Printing, Publishing and Book Trade and, from 1978 to 1986—editor-in-chief of the SOVETSKAYA ROSSIYA newspaper.

Fifth Session Ends; To Resume Mid-Sep

LD1207153991 Moscow TASS in English 1508 GMT 12 Jul 91

[By TASS parliamentary correspondent Vladimir Isachenkov]

[Text] Moscow July 12 TASS—The fifth session of the USSR Supreme Soviet ended here today. The next session of the parliament will begin in mid-September.

Summing up the results of the work of the Supreme Soviet, its chairman Anatoliy Lukyanov ephasised that "the Union parliament acted as a guarantor of stability, an important instrument of preserving the USSR's integrity."

Regarding the parliament's participation in the process of the signing of the Union treaty, Lukyanov said that the USSR Supreme Soviet "cannot and must not impose its notion of the Union on the republics."

"The Soviet Union's reforming is a concern of the peoples and of their elected bodies of state authority," Lukyanov said. "The USSR Supreme Soviet should show exceptional attention to the attitude of every participant in the negotiating process, should seek understanding and accord."

The Supreme Soviet today adopted a resolution on the results of the two-day debating of the draft Union treaty. The resolution expresses support for this document.

The attempt of an influential group of deputies "Soyuz" to ensure the endorsement of the Union treaty by a congress of USSR people's deputies has not been a success. Lukyanov said that it is not for a congress to endorse the treaty. Its final coordination is the republics' prerogative.

At the same time, the resolution adopted today instructs a delegation of the Union parliament to participate in finalising the Union treaty. Under the resolution it should be signed at a congress of USSR people's deputies late this year.

Lukyanov Speech Concludes Session

LD1207183191 Moscow All-Union Radio First Program Radio-1 Network in Russian 1628 GMT 12 Jul 91

[Concluding speech by USSR Supreme Soviet chairman Anatoliy Lukyanov at USSR Supreme Soviet session in the Kremlin on 12 July—recorded, from the Parliamentary Diary program]

[Text] [Announcer Vasilenko] As a concluding day presupposes, there was a concluding speech by the chairman of the country's Supreme Soviet, Anatoliy Ivanovich Lukyanov. He gave a retrospective evaluation of the work of the Supreme Soviet over the past two years and talked about what still has to be done by the country's highest legislative body, and of course he expressed his opinion, the opinion of parliament, on the work which was done on the draft Union Treaty:

[Lukyanov] Over the past two years we have gone along with difficulty, at times tortuously, to the present day when the Supreme Soviet has expressed support for the draft of the new Union Treaty. I must note that the issue of the place and role of the Supreme Soviet in this treaty process has recently been stirred up artifically, to put it mildly, both by certain parts of the mass media and by certain political forces. In this regard I must categorically state that the Supreme Soviet must not, and cannot, force its will, its vision of the union, on the republics. This cannot be. It understood quite well before, and now it understands clearly, that the reforming of the union is the business of the Soviet peoples themselves and the bodies of state authority elected by them. Yes, the union parliament has tried to initiate the treaty process. We—the congress and the Supreme Soviet—were its authors, and there is no denying that.

Yes, the Supreme Soviet tried to secure this treaty process, both organizationally and intellectually, to create a favorable psychological atmosphere around it. Possibly this did not always work out. But no one today can deny that this was our desire and aspiration.

On the other hand the USSR Supreme Soviet did not forget that it is elected by the Congress of USSR People's Deputies and is a standing legislative and control body of the country's state authority. And consequently today it still represents the interests of all USSR citizens, it bears responsibility before them for everything that is going on in the country. This is why the USSR Supreme Soviet must, is simply obliged, to be a participant in the treaty process, which of course in no way limits the sovereignty of the republics, and in absolutely no way is it an attack on their sovereignty.

[Vasilenko] And now we will listen to how Anatoliy Ivanovich Lukyanov evaluated the results of the work of the union parliament.

[Lukyanov] Strictly speaking, since the birth of this, our new parliament, a gradual, although very difficult, breakaway from the administrative-command system of administration toward democratic methods of state leadership inherent in a civil society has begun.

What has been done in this respect by the union parliament over the past two years is of course subject to qualitative measurement. What sort of qualitative measurement is that?

Over this period, dozens of laws have been adopted by the Congress, and the USSR Supreme Soviet has adopted 121 laws. There have been over 620 resolutions, appeals, and statements by the Supreme Soviet. Over 300 major questions touching upon most important spheres of the life and interests of all categories and gorups of the population have been examined at its plenary sittings alone. Over 1,800 sittings of the committees of the Supreme Soviet and of the standing commissions of the chambers have been held, and each of you knows that, at which almost 3,000 questions have been discussed. That is the volume of work for these years. Sixty-four international treaties and agreements have been ratified. Over two years of the Supreme Soviet's work, you and I have received 1.5 million letters, telegrams, and appeals from labor collectives. Over this period, around 120,000 people visited the reception of

our parliament. These are the figures, and I want deputies to know them. These are the statistics.

But it is probably not just and not so much a matter of these statistics. We have had to and are having to work in the exceptionally difficult conditions of a political and economic crisis, of the exacerbation of interethnic conflicts and the weaking of executive power. In this extremely difficult situation, the union parliament, with all its shortcomings and inadequacies, nonetheless, let's say it outright, has been able to preserve its main purpose. It has stood and stands now as a bulwark institute of statehood, the main factor of social and political stability, an important instrument of the preservation of the integrity of the USSR.

I think that it is rather because of this that such a Supreme Soviet is not to the liking of those who are trying to bring about the disintegration of our federative state, of those who, under the slogan of desovietizatioon, demand that the work of the soviets be wound up, of those who sleep, and who see the union parliament as either demoralized or fragmented.

To allow this means finally shattering the system of state leadership, strengthening lawlessness and anarchy, and raising the already high degree of social and economic tension. But today, it seems to me, this trick, comrades, will not work. The understanding is growing in society of the necessity for decisive measures aimed at stabilizing the situation. It is namely this position which the country's Supreme Soviet consistently defends.

USSR Supreme Soviet 12 Jul Session

LD1307210891

[Editorial report] Moscow Central Television Second Program Network in Russian at 2310 GMT on 12 July carries the 56-minute "At the USSR Supreme Soviet session" program on the proceedings at the 12 July USSR Supreme Soviet session in the Kremlin.

The session opens with Nishanov speaking on the Union treaty. He says he supports Rubiks' statement. He then reads a draft of the USSR Supreme Soviet address to the supreme soviets of Moldova, Estonia, Latvia, Armenia, Georgia, Lithuania and three more republics. The statement says that the discussion of the Union Treaty has now entered a decisive phase. The republics are united not only by the past but also by aims. So, they need to cooperate and exchange experience. Only by joint efforts and friendship can the whole country extricate itself from the crisis. The USSR Supreme Soviet statement requests that the Union treaty be discussed conscientiously so as to find a mutually acceptable way for all republics.

At 2319 GMT Nishanov then reads out a question on military forces in other republics and whether the subject should be provided for in the treaty. Nishanov says that there will continue to be one army for all republics, and the question is fully in the jurisdiction of the USSR. Nishanov reads a question whether the USSR's map is to be redrawn. Nishanov says that no redrawing of the map will take place and if any republic wants to secede, it will have to do it on the basis of the constitution.

At 2321 GMT Nishanov reads the next question: Is it true that Gorbachev said that the Supreme Soviet has six months left to work in its current composition. Nishanov says that Gorbachev said no such thing. First the treaty needs to be signed, then a new constitution of the USSR is to be drawn up. The Congress is to confirm it when it is ready or to submit to the people in a referendum. Then a new election system will have to be elaborated, and elections are to take place. Only after that will a new Supreme Soviet be elected. Until then the Supreme Soviet is to continue work in its current composition.

At 2324 GMT the reporter says the Supreme Soviet adopted a decision supporting the draft Union treaty and adopted the aforementioned address by the USSR Supreme Soviet. The work of committees and commissions was evaluated as good by the deputies and then Nenashev was appointed Minister of Information. Lukyanov spoke in conclusion.

At 2325 GMT Lukyanov speaks: He takes stock of the two-year work of the USSR Supreme Soviet. He recalls the first Congress of People's Deputies and other landmarks on the path to reform. All this has been important. The work of parliament has shown that the country is gradually moving away from the command-administrative system: over the past two years the USSR Supreme Soviet has passed 121 laws, more than 600 statements and addresses. It considered more than 300 issues concerning all walks of life; over 1,800 sittings were held in committees and commissions; 64 international agreements were ratified; the Supreme Soviet received about 1.5 million letters from the public. The questions of power, ownership, the rights of the individual and others were discussed. All this took place in a turbulent and complex situation of a political and economic crisis. In this situation the USSR Supreme Soviet has managed to retain its main function of a state institution working for the preservation of the USSR. Of course, this may not be to the state of those who do not wish to see the preservation of the USSR. But society increasingly understands how important it is for the Soviet Union and its parliament to be strong. The main function of the Supreme Soviet is legislative. From this viewpoint, it has done a great deal. The legal basis of the political system has been radically renewed. A legal basis has also been set up for the economy too. The achievements of the fifth session are particularly remarkable in this respect. He further proceeds to list all laws that have been adopted in various spheres, including taxation and foreign investment. He praises the Supreme Soviet's appointments and decisions on militia, KGB, and criminal code of laws. The laws adopted are operating, ableit with setbacks. That they operate successfully is shown by life itself.

Now the Supreme Soviet has voted in favour of the draft Union treaty, Lukyanov continues, in spite of a lot of opposition that preceded the vote. The task of the Supreme Soviet is not to impose its will on republics or restrict their sovereignty but to coordinate actions. Lukyanov proceeds to list the USSR's achievements on the domestic and international scene. He then wishes all the best to the deputies.

Political & Social

'Bolshevik Platform' Established Within CPSU

LD1407163991 Moscow TASS International Service in Russian 1525 GMT 14 Jul 91

[By TASS correspondents Vladimir Glod and Aleksandr Kryzhanovskiy]

[Text] Minsk, 14 Jul (TASS)—The all-Union conference of communists and nonparty members describing themselves as adherents of true socialism and communism, which ended today in the capital of Belorussia, adopted a declaration on forming a Bolshevik platform within the CPSU. Its supporters declared themselves to be the "heirs and rightful successors of revolutionary-proletarian Leninist policy within the CPSU, convinced opponents of opportunism and revisionism, and true campaigners against anti-communism and anti- Sovietism."

Among the political documents adopted by the conference were a Bolshevik platform within the CPSU, an appeal to all communists and Bolsheviks who are nonparty members, and to the USSR Supreme Soviet, resolutions "on political no-confidence" in Mikhail Gorbachev, general secretary of the CPSU Central Committee, and on recalling people's deputies who have compromised themselves. They note the need "to wreck criminal plans to restore capitalism in the USSR" that are being promoted by the "appeasing ruling clique in the CPSU Central Committee".

The conference called for an extraordinary congress of the CPSU. An organizing committee headed by Nina Andreyeva, chairman of the all-Union society "Unity for Leninism and Communist Ideals," was set up to prepare for it. Andreyeva has already been made head of a commission that has been instructed to forumulate its own draft program for the CPSU.

Delegates to the conference declared themselves to be representatives of the Bolshevik platform in party organizations and labor collectives and reserved the right to recruit members to the CPSU on the Bolshevik platform.

The new organization decided to inform the CPSU Central Committee of its formation and that it has begun functioning. But Aleksandr Lapin, political adviser to Nina Andreyeva, refused to say how many members it has, stressing that as well as official members there are also those who do not wish their membership to be public knowledge.

However, it is thought that the prospects for the Bolshevik platform within the CPSU asserting itself on the political stage are not great, since an absolute majority of delegates to this conference are party veterans and pensioners. Furthermore, by the close, interest in the undertaking had clearly fallen away since only half of the conference's participants and guests remained.

Nina Andreyeva Interviewed

LD1307211791 Moscow Central Television First Program Network in Russian 1955 GMT 13 Jul 91

[Interview with (Yedinstvo) Nina Andreyeva, chairman of the all-Union 'Unity' society by unidentified correspondent at the conference of supporters of the CPSU Bolshevik platform in Minsk on 13 July—recorded]

[Text] [Correspondent] The conference of supporters of the Bolshevik platform of the CPSU will last two days. The delegates have assembled and the conference is in progress. What do you have to say about it, Nina Aleksandrovna?

[Andreyeva] I would say that it is taking place under very complex circumstances, because the country is basically at a crossroads. Unless all the healthy forces in society realize their responsibility for the future of our socialist homeland, we can expect to collapse as a state and we will cease to exist as the great and mighty Soviet Union which our country used to be.

However, the main objective of our present conference is to discuss and adopt the Bolshevik platform of the CPSU—not only to adopt it but to carry out, in the days to come, a large amount of very important work to get the Communist Party to switch to the Bolshevik platform. The platform is based on creative Marxism-Leninism. Its main idea is to defend the interests of working people.

TASS Cites Andreyeva

LD1307223891 Moscow TASS in English 2157 GMT 13 Jul 91

[By TASS correspondents Vladimir Glod and Aleksandr Kryzhanovskiy]

[Text] Minsk July 14 TASS—Nina Andreyeva, head of the all- union society "Unity for Leninism and Communist Ideals" spoke here July 13 at the opening of an all-Union conference of supporters of the "Bolshevik Platform" in the Soviet Communist Party. She pointed to the danger of the "transfer of the CPSU to the rails of right- wing bourgeois democracy or social liberalism."

She blamed Gorbachev and his [words indistinct] the Soviet parliament, for the "degeneration of the party". She believes that they "did their utmost for putting the

armoured train of counterrevolution to the rails of Gorbostroyka". She never mentioned the word perestroika in her report, but the word "Gorbostroyka" was repeated many times.

Andreyeva strongly criticised Yeltsin, Popov, Sobchak, Shevardnadze and other "pseudodemocrats", who "replaced patriotism with cosmopolitism, turned the perestroyka orgy into an orgy of self-castigation and made us the most anti-communist state in the world."

Touching upon problems of the union treaty, Andreyeva said that "Gorbachev, Yeltsin, Nazarbaev and other reformers treacherously replaced the socialist essence of sovereignty, recorded in the 1922 declaration on the formation of the Soviet Union, with bourgeois nationalism which is just the opposite to proletarian, socialist internationalism."

While the purpose of the Union treaty is "to dismantle the Soviet state", as the leader of the "Bolshevik platform" believes, the new CPSU programme "eliminates the party as a party of the Lenin type." "The ideological and political stand of supporters of the Bolshevik platform and that of Gorbachev's supporters are so incompatible with each other that consensus is out of the question," Andreyeva said. She is positive that the supporters of the incumbent general secretary should be removed from the state and party leadership. In her opinion, "perestroika processes are taking place with the participation of agents of foreign secret services which are dismantling the foundation of the Soviet constitutional system."

Andreyeva Faction Criticized

PM1507090991 Moscow PRAVDA in Russian 15 Jul 91 Second Edition p 4

[Report by unidentified BELTA-TASS correspondent accompanied by unsigned commentary: "'Step Toward Split'"]

[Text] Minsk, 14 Jul—The all-Union conference of Communists and nonparty members describing themselves as adherents to true socialism and Communism that ended here today adopted a declaration on the formation of a Bolshevist platform within the CPSU. Its supporters declared themselves the "heirs and successors of revolutionary proletarian Leninist policy within the CPSU, staunch adversaries of opportunism and revisionism, and true fighters against anticommunism and anti-Sovietism."

The political documents adopted by the conference include the Bolshevist platform within the CPSU, an appeal to all Communists and nonparty Bolsheviks and to the USSR Supreme Soviet, and a resolution [singular as published] "On Political No Confidence" in M.S. Gorbachev, general secretary of the CPSU Central Committee, and on recalling people's deputies who have compromised their position. These documents note the need to "thwart the criminal plans to restore capitalism in the USSR" that are being promoted by the "conciliatory CPSU Central Committee elite" and demand the resignation of Bakatin, Shevardnadze, Yakovlev, Medvedev, Volskiy, and "other turncoats and opportunists among people's deputies who have betrayed the party cause," along with the expulsion from the Politburo and the CPSU Central Committee of everyone who has "helped to bring the private capitalist market and rapacious privatization into the USSR and facilitated the collapse of the party."

The conference demanded that an extraordinary CPSU congress be held. An organizational committee headed by Nina Andreyeva has been set up to prepare this congress. And she heads a commission tasked with formulating its own draft CPSU program.

The conference delegates declared themselves representatives of the Bolshevist platform within party organizations and labor collectives and asserted their right to recruit people to the CPSU on the Bolshevist platform.

Our Commentary

So, Nina Andreyeva and her supporters are once again making their presence felt, taking a step toward splitting the party. It is as if the realities of the day do not exist for them—so long as "principles" triumph. They want to exploit the contradictions in the current complex situation to fuel an atmosphere of mutual distrust within the party. What are they hoping to achieve? Journalists report that the overwhelming majority of people in the hall where the "true heirs and successors" were sitting were elderly. By the end of the event the number of participants and guests was halved. Well, it is no wonder—who can fail to see that you cannot bring back the past?

Dzasokhov Attends Discussion of CPSU Program

LD1407220691 Moscow TASS International Service in Russian 1520 GMT 14 Jul 91

[By TASS correspondent Tamara Zamyatina]

[Text] Moscow, 14 Jul—a large group of members of the CPSU Central Committee who are part of the Ideological Commission and the Commission on Issues of Science, Culture and Education, and also experts from the commissions, have made a detailed examination of the draft new CPSU program. The draft document was earlier examined by the program commission formed by the 28th CPSU Congress.

During committed and sharp debates, the party workers, social scientists, cultural figures, and journalists noted that the Party program which is being worked out should reflect all the complexity of the socio-political realities of our times, and should primarily give realistic answers on the fundamental principles and causes of the Party for the 1990s.

Opening the session, A. Dzasokhov, member of the Politburo and secretary of the CPSU Central Committee, noted that today's CPSU program is being drafted in conditions of profound changes in Soviet society and the international arena, and in conditions of the Party's search for its role in the processes of social transformations. The new program should be a reliable platform for the the preservation of the unity and the initiative-taking role of the CPSU in carrying out democratic reforms.

The first round of debate concerned whether the program should be oriented toward the current decade only, or contain a "long-term outline", as stated by V. Koptyug, member of the CPSU Central Committee and chairman of the Siberian branch of the USSR Academy of Sciences.

The problem of the social base of the CPSU was also discussed in the spirit of debate. What strata of the population should it draw on? There is no complete answer to this question in the draft which has been prepared. Meanwhile, said A. Tatarkin, director of the Institute of economics of the Urals branch of the USSR Academy of Sciences, the Communist Party cannot reflect the interests of all social groups without exception. He also argued that the program should, by endorsing the line of economic reforms, provide for the optimum combination of plan and market principles in development of the economy, and for elucidation of the aims of a market not for its own sake, but in the name of social progress. Reference was made to the experience of a number of highly developed states which have "inserted" centralized control into a market economy. It was also emphasized that the program should have a constructive character and not be founded on rejection of this or that phenomenon, that it should contain the foundations for rapprochement of the various platforms of the CPSU, and, in the words of G. Artamanov, member of the All-Union Council of Communist Students, should carry the idea of continuity, and for the recruitment of fresh generations of Communists for the Party.

In the view of V. Davydov, vice president of the Academy of Pedagogical Sciences, and A. Kadyrbekova, first secretary of the Sovetskiy Party raykom in Alma-Ata, the excessively complicated style of the document detracts from its motivating nature. On the same topic, Prof. R. Medvedev noted that writers and journalists need to be involved in the editing of the text in order that the new program should be comparable in its effect on people to the best examples of political journalism.

Going on to deal with fundamentally important sections of the draft program, N. Skripnikov, rector of the Poltava Medical Institute, S. Medvedev, first secretary of the North Kazakhstan Oblast Committee of the Communist Party of Kazakhstan, and others drew attention to a certain tendentiousness in the draft document, evidence of which is to be found, among other things, in the sentence about the so-called "discrediting of the idea of socialism in the Marxist and Leninist understanding of it", although in fact it is a question of the distortion and deformation of the socialist idea. While courageously recognizing the misfortunes of the times of Stalin's rule and stagnation, one must therefore include in the draft the ideas that no matter how hard things are now for all of us, it was indeed under the leadership of the CPSU that, for example, the Soviet people's victory in the Great Patriotic war was won, and it was the Communist Party that took upon itself the role as organizer of the restoration of the destroyed national economy and turned the country into a great power of whose stance the whole world takes account. It is indeed the CPSU that is now cementing the preservation of the integrity of the renewed Union of Sovereign Soviet Republics. L. Mkrtchan from Yerevan, a doctor of medical sciences, and A. Maltsev, first secretary of the Nizhniy Novgorod CPSU City Committee, said that the opening up of the democratic nature of socialism and a present day vision of the ways of social progress is one of the merits of the draft.

Summing up the results of the discussion, A. Dzasokhov observed that considerable creative work has been done in creating the draft CPSU program. At the same time, bearing in mind the lively discussions about the concept of humane democratic socialism, some thorough work still has to be done in order to put forward the draft document at the upcoming July plenum of the CPSU Central Committee and for wide discussion by Communists.

Commission Discusses New CPSU Program

LD1407141991 Moscow All-Union Mayak Network in Russian 1400 GMT 14 Jul 91

[Text] A number of members of the CPSU Central Committee who are working as a part of the ideological commission on science, education, and culture have considered the draft of a new CPSU program. The main discussion has touched on the question of whether the program should only take account of the current decade or should include the concept of a long-term future. The program touches on problems of the social basis for the CPSU. Summing up the results of the discussion, Dzasokhov, a member of the Politburo and secretary of the CPSU Central Committee, noted that a good deal of work will have to be done in order to submit the draft of a party program to the forthcoming July plenum of the Central Committee and in order to put it up for extensive discussion by communists.

Deputy's Remarks on CPSU Rules Disputed

PM1207101991 Moscow PRAVDA in Russian 10 Jul 91 Second Edition p 2

[CPSU Central Committee Press Center report: "The Law Is the Law"]

[Text] An interview with Yu. Koltsov, USSR Supreme Soviet deputy, in ARGUMENTY I FAKTY No. 26 for

1991 claims that if a section does not appear in the CPSU Rules by 31 December this year defining the procedure for disbanding the party—and this section is required by law—the "registration of the CPSU may be declared void."

The CPSU Central Committee Press Center asked M. Chemodanov, head of a CPSU Central Committee Organizational Department sector, for clarification on this. Here is his opinion:

[Chemodanov] In this ARGUMENTY I FAKTY article we encounter once again a phenomenon that has regrettably been widespread of late in a number of newspapers. Namely exploitation of the general reader's ill-informedness about the content of new laws and resolutions.

In particular, the "Regulations for Consideration of Applications To Register the Statutes of All-Union, Interrepublic, and International Public Associations," ratified by USSR Council of Ministers Resolution No. 21 of 10 January 1991, established that "the statutes of a public association set up prior to the entry into force of the USSR Law 'On Public Associations' can be registered provided that the public association's leadership body pledges in writing that the requisite changes and addenda will be made to the statutes at the association's next general meeting (congress)." So, the question of declaring void the act of registering any public association's statutes is linked with the holding of its meeting or congress and by no means with the date of 31 December 1991, which is merely the final deadline for registering statutes and has no bearing on their content.

It is also easy to say that the above document refers to registering statutes and not to the public organization itself, which constitutes a substantial difference in legal terminology. The CPSU did not register itself 4 April 1991, but registered its statutes (Certificate No. 0058), which is by no means the same thing. As for a written pledge to amend the Rules, that comes within the purview of the CPSU Central Committee, and the implementation of such an amendment tallies with the plans for our intraparty life and needs no goading or outside supervision.

Incidentally, the same can also be said of the question of party property, which was also broached during the interview. Under Article 14 of the USSR Law "On Public Associations" the property of a public association to be wound up by decision of a congress (conference) or general meeting "is used for purposes for which its statutes make provision" and, based on Article 22 of the same law, a public association's property can only be transferred to the state (nationalized) by decision of a court of the appropriate rank.

Undoubtedly, Communist Yu. Koltsov can have his own opinion regarding the CPSU's internal problems, voice and discuss this opinion at meetings of his primary organization, and make various suggestions. However, when speaking in the press as a Union parliamentarian whose direct duty is to scrupulously formulate laws with sensitivity for any opinion and without imposing his own, Deputy Yu. Koltsov hardly seems correct in making such categorical assertions as "the question of property must be raised..." or "the state must take the archives under its protection..." Discussing questions of ownership, including those that fall within the USSR Law "On Public Associations," presupposes an appeal to the letter of the law alone and not to the transitory demands of the political situation.

Army Communists Say Reformers Creating Tension

LD1207114391 Moscow Central Television First Program Network in Russian 0900 GMT 12 Jul 91

[From the "Television News Service Program]

[Text] Eduard Shevardnadze headed the organizing committee for preparing the congress of the Movement for Democatic Reform. One of his main opponents, the bureau of the army-wide CPSU party committee of the armed forces, stated that the civic conscience and duty of communists does not allow them to support the movement for reform. The initiators are leading to a split in the CPSU and further whipping up tension in society.

'Mistrust' in Party Leadership Pondered

PM1207102191 Moscow SOVETSKAYA ROSSIYA in Russian 6 Jul 91 First Edition p 3

[Letter from V. Kozlenkov, secretary of the "Progress" Plant Party Committee and member of the RSFSR Communist Party Central Committee: "Time To Cast Off Illusions"]

[Text] The party organization which I have headed for three years now is one of the largest in Samara Oblast. I would say that the extraordinarily complex problems facing us Communists today are no less substantial. The main, and most immediate, task centers on how to preserve the unity of a renewed party, strengthen its authority among the people, and grant it a second wind. The crisis enveloping society today has become deeply rooted in the party and has exacerbated the problem of its ultimate destiny. Here I cannot turn a blind eye to the things which are currently worrying many of my comrades in the party and the workers at my plant.

Not a day goes by without what is essentially one and the same question being asked at meetings: What will become of the party and the country? Why is it that, in the seventh year of perestroyka, we are living through a period that is as tragic as the period of wartime hardships? Why is it said once again that the fate of socialism in our country and that of the people and the party are at stake? It brings the bitter lump of grievance to the throat but, once you pull yourself together and overcome emotions, you can begin to rationalize along with working people and discover the truth, however bitter it may be.

Meanwhile, senior advisers, having quickly pinpointed the "three crucial elements," hypocritically continue to confirm the victorious march toward "a world of freedom and civilization," while someone tries to reduce the whole matter to run-of-the-mill apparatus intrigues. But let us be frank: The Communists, not their pluralist leaders, were the first to spot the approaching catastrophe. Despite incessant frenzied accusations, even now Communists are trying to protect the state from social degradation and complete collapse. It is painful and complex, but I watch as Communists begin to see things clearly and grow restless, inciting the people to defend our history, our memory, justice, love of the fatherland, and socialist values. So let those accustomed to manipulating others through their words and deeds, depending upon the "feeding methods," live a lie. There are too many "new thinkers" cropping up all around nowadays. Their rhetoric has only negative uses. Nevertheless, a time of universal awareness is on the horizon. Someone will have to bear direct and full personal responsibility for the chaos, and neither overseas patronage nor international regalia will save him.

The workers ask me: Is that why the "democrats" furiously hastened to organize the elections for the head of Russia, tying them up within 20 days? Is that why the "architects of perestroyka" started fussing about setting up a new mass democratic party? It is worth explaining that, as a rule, in politics even the most noble delusion inflicts cruelty upon those who were deceived and believed. It is time for us all to rid ourselves of the shackles of that social illusion whereby we rely on one particular person. "The kind gentleman in the Politburo" has already gone. Enough! Let us pay more attention to the harsh reality.

Deep inside the Russian parliament, a new edition of the draft decree on power, whose adoption is highly likely given the present outcome of the republic presidential elections, has already been prepared. But this will prompt a new attack on the main social force—the Communist Party. Some may object: Is such a thing really possible under democracy? Let us not kid ourselves. The battle in progress is no longer about choosing the best path for socialist reforms or extricating the country from the crisis as quickly as possible, but rather about finding a different political course and altering our entire history. Are recent events not a proof of this? We must have a clear idea of the effects of the policy currently pursued. Already it is clear that there is no point in waiting for universal prosperity. The "Democratic Russia" movement, which brings together various anticommunist streams, is not shy in choosing its weapons. Everything is brought into play: social demagoguery, games with people's feelings, skilled maneuvering with concepts like "Russian sovereignty," "national revival," the fear of a "Communist dictatorship," and so on.

Under this deafening noise, the "democrats" are doing everything possible to divide the authorities. They have created shadow structures, and the president's deputies and participants in the coalition government are steeling themselves. In fact, the fate of the Soviets is predetermined. For example, in the fall elections for mayors at every level are planned. At best the people will be allotted space on the squares in order to bring those straining to establish a new totalitarian regime to the height of power on the crest of the rally wave.

Once again, on the people's behalf and in the name of the party, a "perestroyka" experiment is being carried out (not for the first time), only now the scale is "historical" and the dimensions revolutionary. The entry into the market, which began with drastic price hikes and other unpopular government measures, brought terrible times down upon the shoulders of working people. The program of anticrisis measures offered to them is oriented more toward the enforced introduction of market relations than the adoption of social protection measures for people with fixed incomes and society's have-nots. Unemployment registration began 1 June. Is this really humane, democratic...?

Communists are seriously worried about this turn of events. However, the country's political leadership, entrusted with a mandate to govern by the 28th Congress, is once again disregarding the "party masses." There followed another more powerful blow to the party and ordinary Communists, who were unjustly blamed for the actions of state structures. New experiments lie in store—privatization, departyization.

The republic presidential election results became the determining factor in the situation both in Russia and the country as a whole. They unequivocally reflected defeat not just of the candidates supported by the Communist Party—who, incidentally, advocated truly moderate and realistic positions—but more importantly the rejection of the political course associated with the current party and state leadership. The people are increasingly fearful of the future, seeking to regain former stability and to return, if only slightly, to humane living conditions, and they have become fertile soil for assimilating populist slogans promising instant prosperity according to the "Swedish" model. Self-critically we recognize that this defeat was inevitable. No worthy strategy or tactics for the election campaign were elaborated either in the center or at the local level. People voted not so much for the candidates' program ideas as for the image penetrating the ordinary man's consciousness. You only have to look at V.V. Bakatin's program, which in fact coincided in principle with the stance of B.N. Yeltsin's program, but lacked the "legendary" personality and image of Boris Nikolayevich himself and consequently proved unpopular.

Once again, the elections clearly revealed the problem of party leadership. Now, on the eve of new elections, we must conduct an active search for new leaders capable—through their intellect, professionalism, and honesty—of carrying the mass of workers along with them. In this conntext it is worth considering the phenomenon of A.

Tuleyev, previously a little known leader from the Kuzbass, who in a matter of days won the support of millions of Russians.

I consider it necessary to mention one particular lesson of the election campaign. Even before its political defeat the party suffered an ideological defeat. Our opponents activated the ideological factor in the most vigorous fashion, at times breaking all the "rules of the game." The diffident neutrality of the party's ideological institutions and the pluralism of the times at the start of perestroyka was splashed across the pages of the party press. The "democratic" press could have done with a few lessons in party loyalty. After pounding the voter with a stream of biased information, it managed very quickly to create a negative view of specific candidates.

In recent times, much has been said about the fact that the party is experiencing crisis both as a part of society and in its own right. In light of this, I feel I should express my view on such a major factor. As a result of a shortened discussion, the April plenum actually approved centrism, which on the surface is seen as the standard-bearer of objectivity but in actual fact it merely plays into the hands of radicals and anticommunists of every hue and opens up greater operating space for them. More importantly, it disorients the mass of Communists. In turn, the atmosphere intensifies further still, ready for the next massacre of party cadres who begin directly and honestly, and at times also sharply, to criticize the position of the leadership and every double-dealing adviser.

I am disclosing no secrets by saying that mistrust toward the political leadership is already manifesting itself at every social level. It is also apparent in the party. Primary organizations and ordinary Communists are personally experiencing powerful pressure by daily, frenzied anticommunism which unfortunately has become all but official state policy. They are having to pay severely for someone's fatal errors. To all intents and purposes the party has been alienated from the elaboration of state policy. As it enjoys the constitutional right of legislative initiative, used, incidentally, only to abolish Article 6, it is entitled to elaborate and submit state and political decisions, just like any other party.

Is this why, having become a hostage of the situation, the party as represented by its central headquarters was in no condition to speak with appropriate political force in the election campaign? Having been weakened by the pseudodemocratic reforms and fruitless discussions foisted upon it, the party is now no longer strong enough to "purge" its ranks. It is time to define what exactly still constitutes the social base of our party. Workers, peasants, and the working intelligentsia must realize that the CPSU is their party but it must discard by its own hand all the trash which has accumulated over the last few years. The entrepreneur and the unemployed citizen cannot be in the same party. The leader who joins the CPSU for the sake of his career and the worker intent upon throwing this leader out into the street tomorrow cannot be in the same party. Neither can we be in the same party as those whose selflessness ends at the next trough, it is time to declare ourselves.

Yes, the elections taught Communists a bitter lesson, but we have no right to desert from the leading positions upon which we stood in April 1985 after initiating the radical transformation of society within the framework of socialist choice. Otherwise we will betray that very choice and the people who believed and followed the Communists. Our predecessors will not thank us for faltering under a mass barrage of anticommunist hysteria: We are going to think only of how to survive and how to adapt to the "new policy." Indeed, we will betray the memory of our fathers, the old Communists, if we obediently bow our heads and sprinkle them with the ashes of repentance and self-abasement. No, this is not the path we should follow, although unfortunately it is the one upon which the weak in spirit and those disappointed, or simply disillusioned, by everything have already embarked. Communists face a major task—to determine the path for getting out of the "rut" into which the country, the people, and the leaders of perestroyka have fallen. Only then will we regain the support of working people and all the genuine patriots of the motherland.

As I stood on the platform at a recent Samara RSFSR [Russian Soviet Federated Socialist Republic] Communist Party Obkom [oblast party committee] plenum, I sensed in the hall the same feeling of alarm and deep concern of each and every person for the fate of the party and nation. As for the plenum itself, the mood was disposed toward party comradeship, even committed to it. But some would say that it lacked self-criticism, and that we should look at ourselves, for we are not saints after all. Well, I am not disputing the fact that saints today are also in short supply, and a brave and solid position to defend the CPSU is not everybody's cup of tea.

It was stressed at the obkom plenum that party interests, having fallen into a difficult position, demand a serious correction of errors in the implementation of its political course and its efforts to regain the workers' trust, unite ranks, and strengthen discipline. To do this we need an extraordinary CPSU congress. During the hard times under Lenin, party congresses were held every year. I am convinced that right now we need a program minimum which will be understood by the workers and peasants, and we need a new CPSU Charter which takes due account of the current changes. We need to renew the Central Committee leadership and resolve the issue of principles in Politburo activity and composition. Only by giving clear guidelines can the party be strengthened politically and organizationally.

Indeed, the CPSU congress must give a clear response as to who will defend the party and its political and economic aims. Clarity must be introduced on the CPSU's social base and a number of organizational and

ideological problems. The workers, peasants, intelligentsia, pensioners, and young people—these are all the basic population groups which require a clear answer as to what the Communists actually intend to do to improve their lives.

Pavlov Ordered To Act on Illegal Dacha Sales

LD1407174491 Moscow Radio Rossii Network in Russian 1130 GMT 12 Jul 91

[Text] President Gorbachev has instructed Prime Minister Pavlov to take urgent steps against those members of the government who are involved in the illegal sale of out-of-town dachas at reduced prices—in other words, Ryzhkov, the former prime minister, as well.

Defense Ministry Information Agency Role Outlined

LD1307125491 Moscow All-Union Radio Mayak Network in Russian 0900 GMT 13 Jul 91

[Text] Marshal Yazov, USSR defense minister, has issued a decree on the creation of the Intervoyeninform agency. It will be subordinate to the recently formed Defense Ministry's administration. This agency will receive exclusive rights to examine, on behalf of the Ministry, demands for access to all types of information service. It will also cooperate with clients in preparations for international events with a military theme. Specialists consider that large practical complications may arise initially for the officials of this organization, since there has never been such a service in the history of the Soviet armed forces.

Internal Ministry Public Relations Center Set Up

LD1307092291 Moscow TASS International Service in Russian 1227 GMT 12 Jul 91

[Text] Moscow, 12 Jul (TASS)—A new independent service has been set up at the USSR Internal Ministry—a public relations center. Its presentation took place here today.

Among the center's main tasks are coordination and actual implementation, within the framework of the ministry, of the work on interaction with mass media; development of direct links with working collectives, political parties, and public organizations; editorial and publishing activity; preparation and distribution through mass media of publications, television, and radio programs, as well as other material covering the activities of internal affairs bodies.

It was pointed out at the presentation that the USSR Internal Ministry considers the center's activity to be an integral part of the statewide measures for deepening democracy, the development of openness in the work of internal affairs bodies, strengthening their links wih the public, increasing effectiveness in the fight to strengthen law, order, and legality, and for making the moral atmosphere more healthy.

The center's structure includes a press center, departments in charge of links with the Soviet and foreign mass media, as well as those in charge of interaction with political and public movements, and with public associations within the structures of the USSR Internal Ministry. It will also include departments in charge of emergency situations, and subunits directly subordinate to the USSR Internal Ministry: a television studio, joint editorial offices of SOVETSKAYA MILITSIYA [SOVIET MILITIA], and of the center's periodical publications, plus a publishing and printing complex.

KGB Official on Aspects of Intelligence Work

PM1507082191 Moscow PRAVDA in Russian 15 Jul 91 Second Edition p 4

["From Authoritative Sources" interview with V. Kirpichnikov, first deputy chief of the USSR KGB Foreign Intelligence Directorate, by Vl. Ostrovskiy; place and date not given: "KGB... CIA... Who Has the Easier Job; Intelligence Officer Talks About Intelligence"]

[Text] As we promised, PRAVDA will be providing pretty wide coverage of the activities and problems of the country's law-enforcement bodies, including the KGB. The interview published below with V. Kirpichnikov, first deputy chief of the USSR KGB Foreign Intelligence Directorate, is part of that series and will, we believe, be of interest to readers.

[Ostrovskiy] Vadim Aleskeyevich, as one who has a professional knowledge of the United States, can you say whether middle America's attitude toward our country has changed?

[Kirpichnikov] Yes, it has changed, and undoubtedly for the better. In the first place, the middle strata are no longer afraid of us, as they were before, when they were constantly getting frightening information from their government. Second, Americans have become curious and they want more information about events in our state, about our people. Just as important is the fact that U.S. business circles have developed an interest, economic and commercial, in us. This not only changes the psychological situation but contributes to interstate collaboration. Nonetheless, U.S. society, including its middle strata, is constantly being reminded by U.S. propaganda and special services that the Soviet Union is still America's chief enemy.

It is also important to say the following: Our leadership has repeatedly said that the Soviet Union does not see the United States as its enemy, but the U.S. Government has not made any such statement as yet. I believe that middle America holds the view of the official authorities.

[Ostrovskiy] Could you say, then, who has the harder job: our intelligence officers on the other side of the Atlantic or the Americans here?

[Kirpichnikov] Ours, I think. This is due primarily to the greater openness of our society that we have arrived at recently. The explosion of glasnost and the democratization of our society meant that our citizens were willing to communicate with foreigners, there are no restraints, and no one is stopping them. Therefore, U.S. diplomats and journalists, including U.S. intelligence officers, now have practically no difficulty making contact with Soviet people. Certainly this makes the job of U.S. intelligence easier.

At the same time there have not been any radical changes in U.S. society. Ordinary Americans have a certain inbuilt immunity when it comes to contacts with Soviet people. I will explain what I mean. In the first place, the federal administration and U.S. special services regularly organize campaigns of spymania and there are constantly items in the press about the work of the KGB, about intelligence, and so on. Of course, this affects middle America in the sense of preserving caution and concern for national security. In short, the high degree of patriotism in U.S. society is the immunity I was talking about.

[Ostrovskiy] On 16 May a CIA report entitled "The Soviet Economic Crisis" was presented at hearings at the technology and national security subcommittee of the U.S. Congress' Joint Economic Committee. Can you cite some of the assessments in this document?

[Kirpichnikov] The CIA experts claim that the ever increasing imbalance between supply and demand in our econonmy led to the collapse of the goods distribution system. Their conclusion is that this trend is exacerbated by republic and oblast leadership efforts to protect enterprises and consumers on their territories from disruptions in the state supply system. At the same time, the ban on exports of goods from republics is disrupting established economic links.

The report says that the success of the Soviet anticrisis program will depend not so much on the implementation of provisions such as the lifting of restrictions on overtime, privatization of the housing stock, retail trade, the switch to free pricing, and so on, and on the state of relations between the center and the republics. In this connection, the 23 April "Nine plus One" agreement is seen as a positive factor, capable of imparting momentum to the economic reform as a whole. The CIA experts reckon that if the agreement is observed the center will be forced within a few months to agree to the republics' becoming more involved in devising Union policy.

Incidentally, on the basis of CIA data, the U.S. consultancy firm "Multinational Strategies" reached the conclusion that Western commercial banks have practically stopped giving the Soviet Union credits. So the only source of foreign aid, according to the experts, is government-guaranteed loans and international organizations' programs. If the USSR defers its debt payment, the firm's analysis claims, its economy will be deprived of normal commercial relations with other states for years to come.

Also indicative is the conclusion of the U.S. Defense Intelligence Agency, made in a report presented to the same congressional committee on the same day. Despite the political, economic, and interethnic crisis, the Defense Intelligence Agency analysis says, the USSR remains the only state capable of posing a viable threat to the United States. The uncertainty and instability of the situation in the country, the possibility of a change of leadership, and the escalation of violence are a danger to the United States and its allies.

[Ostrovskiy] So in your view, Vadim Alekseyevich, do the CIA and Defense Intelligence Agency reports contain disinformation?

[Kirpichnikov] I don't think so. The thing is that the CIA and the Defense Intelligence Agency are aware of their responsibility when providing their administration with assessments of the state of the Soviet economy, and I think that the CIA's assessments on this matter, reported in past years, have objectively covered the difficulties and crisis phenomena coming to a head in our economy. Their conclusions have been correct on the whole. That there may have been inaccurate information in some areas is another matter. That is perfectly possible.

[Ostrovskiy] How do you view the fact that information from these reports has been published—was it deliberate or accidental?

[Kirpichnikov] In the life of American society you can sometimes get accidental leaks, things getting into the press and causing bewilderment: Why did that suddenly appear? This is followed by unpleasantness of various kinds for the culprits, and explanations. In this case it is not an information leak, but deliberate publication. Its purpose is to influence the Soviet leadership. To remind us once again that we are in crisis, that our country is in a state of collapse, and the only sensible solution is to do away with centralized planning and the centralized economy and swiftly switch over to privatization, to a free market, and, essentially, to the transfer of our entire economy to private hands. Only then apparently, will there be (they believe) normal relations between the United States and the Soviet Union. It is a signal to our leadership to act in the direction planned on the other side of the Atlantic.

[Ostrovskiy] One often meets in the Western press sensational items about the activities of Soviet intelligence abroad. How realistic are they?

[Kirpichnikov] Obviously, the golden rule of any intelligence service is to keep secret any information obtained about the other service's work. If you know they know about you, then, naturally, you will take preventive measures and deprive the "opponent" of the opportunity to use that source of information. Therefore, most sensational items in the press are not authentic and play a

subsidiary role: to help the particular special service obtain extra funding for its activities or to meet some other need.

Often items of this kind are blatant disinformation, intended to mislead public opinion in the West and prevent the formation of a new image for the USSR. Their authors want to preserve an atmosphere of suspicion about Soviet institutions abroad and make things as hard as possible for Soviet foreign intelligence activities.

Clearly it was no accident that R. Gates was nominated for the CIA directorship a second time. He once said: "Discrediting the past and present activities of the KGB can considerably damage the organization's prestige and the moral of its cadres and thus give U.S. intelligence great potential for work on the Soviet Union."

[Ostrovskiy] Are the intelligence methods that the Western special services use against us changing at all?

[Kirpichniklov] Life does not stand still, of course. Intelligence services are refining their work forms and methods (ours and those of the Western countries). Not a year passes without our encountering something new.

[Ostrovskiy] What new things do you observe in the work of Western intelligence officers?

[Kirpichnikov] In the first place, what you have is constant refinement of technical means of intelligence. Intelligence service equipment incorporates the very latest scientific and technical discoveries and new technologies. Here, of course, there are things we can learn and borrow. This is due to the fact that our Western partners are ahead in electronics and in some areas of science and technology in general.

Second, the improvement of the international climate and warmer relations with all countries in the West, and the organization of all manner of contacts in various areas, this creates a new atmosphere which enables us too to work more actively, as it does our Western partners.

The new conditions in the Soviet Union mean that Western special services are intensifying their work and, in particular, are making increasing use of so-called deep cover. For example, an ostensibly innocent businessman, actually involved in commerce, can be an experienced intelligence officer. For the time being he may lie low, never showing himself, but at the right moment he operates as an intelligengce agent.

But, by and large, it is no simple matter either for us or for our colleagues changing forms and methods in intelligence work. It is an agonizing effort when something new is experiencing a difficult birth—that I must admit. For example, 10 years ago or so, perhaps earlier, the big idea at some stage among U.S. intelligence officers was that electronic facilities were all-powerful when it came to intelligence. But very soon the Americans abandoned the attachment to electronics, gave up this conceptual approach, and came to the same conclusion as us.

We have never exaggerated the significance of a particular area of information gathering, whether electronic, visual, or by agents: They are all very important. It is more correct to talk about sensibly combining them, about the shifting proportions of various forms, methods, and types of information gathering depending on the situation. No intelligence is possible without agents, without a live agent in the right place. Neither Soviet intelligence nor U.S. intelligence, nor any other intelligence can do without that.

Nov, Jun Union Treaty Texts Compared

LD1307224791 Moscow Russian Television Network in Russian 2000 GMT 13 Jul 91

[From the "Vesti" newscast]

[Text] The editors of the Vesti program have obtained two texts of the Union treaty, one dated November 1990 and the second, the latest, June 1991. We are devoting our traditional Saturday commentary to a bureaucratic, dryly scientific matter: a comparative analysis of both texts. It is interesting. So, the preamble, first lines. November: Expressing the will of peoples for the renewal of their Union. In June this is replaced with: On the basis of the declaration of sovereignty proclaimed by them. It would seem that for this one change it was worth it for the nine to give a year of life.

Next. Throughout the November text: the republics, the republics the republics. In the June text: the states, the states, the states. Another achievement of the same order.

A little further down in the June text there appear eight priceless lines: The states of the Union are full members of the international community. They have the right to establish direct diplomatic, consular, trade, and other links with foreign states. And so on. November: The members of the Union can raise the question of ending the membership of a republic violating the conditions of the treaty. In June these lines are not there. We join voluntarily, and leave voluntarily.

The section on joint jurisdiction was not there in autumn. Now it has been expanded, made more detailed, and contains almost everything that in November appeared in the section on the sphere of the jurisdiction of the Union. In the new draft the Union generously shares its rights with the republics.

The most important thing: property. Without much exaggeration one can say that everything belongs to the republics themselves—even their share of the gold reserves, the diamond and hard currency funds. And what is granted to the Union is the joint property of the republics. Put simply: What is yours is ours.

Next. November: The Union appeals against the law of the Republic; the republic against the law of the Union. June adds: and suspends their effect in its territory. An extremely important proviso.

There is no Soviet of the Federation, but there is a very significant addition: the heads of governments of the republics take part in the work of the Cabinet of Ministers of the Union and have the right to a deciding vote.

This is just the basis of what the new Union treaty is like. People are already beginning to describe it as epoch making, like its predecessor, vintage 1922. This predecessor was born quickly, lived long but badly. Perhaps the fate of the new document will be different, against the background of other events like the one we also saw this week. [leads into clip of Yeltsin inauguration speech] [video shows two similar looking documents side by side, with pencil pointing out variations between them]

TASS Reviews 13 Jul Soviet Central Press

LD1307080291 Moscow TASS in English 0653 GMT 13 Jul 91

["Soviet Press Review"—TASS Headline]

[Text] Moscow July 13 TASS—In the run up to President Mikhail Gorbachev's meeting with leaders of the Group of Seven nations PRAVDA, SOVETSKAYA ROSSIYA and KRASNAYA ZVEZDA cover his press conference on the meeting.

Commenting on the possible outcome of the meeting, the Soviet leader said the very fact that it will be held signifies success. "In connection with this we can speak about various degrees of mutual understanding," he said.

On Friday, Gorbachev addressed a meeting of the Soviet Parliament Presidium, involving representatives of all factions, outlining the Soviet position at the London meeting of seven leading industrialized nations.

The meeting is unprecedented and opens good prospects for integrating the Soviet Union into the world economy, Gorbachev said.

KOMSOMOLSKAYA PRAVDA writes about leaders of the seven Western countries who will meet Gorbachev in London. "Great courage is needed to invest money in the Soviet Union in the current situation," the newspaper comments.

The West can allocate 30 billion dollars in aid to the Soviet Union, Professor Geoffrey Sachs of Harvard University, who helped prepared a Soviet-American programme to pull the Soviet Union out of its crisis, said in an interview with RABOCHAYA TRIBUNA.

The 250 billion dollars the West spends annually to protect itself against the Soviet military threat could be the key source of aid, he said.

Newspapers report the completion of the fifth session of the Soviet Parliament. The legislature approved the draft Union Treaty after a sharp debate.

During the session the Parliament passed a comprehensive package of laws aimed to form a new economic mechanism, Parliament Chairman Anatoliy Lukyanov said.

Participants in the Russian Congress of People's Deputies were unable to elect a parliament chairman in the first vote and will hold a second vote today to choose between Sergey Baburin and Ruslan Khasbulatov, newspapers report.

Mikhail Gorbachev sent greetings to participants in an international telemarathon war veterans for peace and democracy. The message is published in PRAVDA.

PRAVDA and SELSKAYA ZHIZN cover a meeting of the Soviet Communist Party Central Committee Secretariat, which discussed the current situation in (?Tajikistan) in the wake of last year's ethnic clashes. The situation in the republic is calm, according to the Secretariat.

SOVETSKAYA ROSSIYA carries an article blasting former Soviet Foreign Minister Eduard Shevardnadze and new political thinking.

KRASNAYA ZVEZDA writes about the creation of a national guard in Georgia. The force is currently 15,000-men strong.

PRAVDA carries the full text of the Soviet-Spanish treaty on friendship and cooperation.

PRAVDA warns against NATO attempts to fill the "vacuum" in East European countries following the Soviet withdrawal. The vacuum does not pose a threat, it says.

TASS Reviews 15 Jul PRAVDA

LD1507065391 Moscow TASS in English 0607 GMT 15 Jul 91

["Soviet PRAVDA Review"—TASS headline]

[Text] Moscow July 15 TASS—Today's PRAVDA carries several stories on the forthcoming meeting of the Group of Seven industrialized nations in London.

The newspaper carries comments by political analyst Miroslav Buzhkevich on the results of the fifth session of the Soviet parliament.

"We are embarking on a road to agreement. This is confirmed both by meetings in Novo Ogarevo and the results of the parliament's fifth session. The agreement, however, is very fragile. The key thing now is not to stumble and not to abandon the road," PRAVDA writes.

The newspaper comments on the deadlock in the Russian Congress of People's Deputies after three days of unsuccessful attempts to elect a parliament chairman. Hopefully, the chairman of the Russian parliament will be elected if not on Monday, then on Tuesday. "It's high time to begin harvesting," PRAVDA comments.

The newspaper reports a scientific conference on the problems of strengthening the Soviet Communist Party organisationally and politically during a socialist renewal. The conference was held at the party academy of social sciences.

On page one, the newspaper carries a photo report about the Avtovaz Soviet car manufacturer, which celebrates its 25th anniversary in July.

PRAVDA carries an interview with Soviet Minister for Agriculture and Food Vyacheslav Chernoyvanov, who speaks about baby food production in the country. Russia, the Ukraine and Belorussia have relieved their plants producing baby food from paying taxes, Chernoyvanov said.

The newspaper carries an interview with first deputy chief of the KGB Foreign Intelligence Department Vadim Kirpichnikov.

Greek Prime Minister Konstandinos Mitsotakis will pay an official visit to the Soviet Union from July 22 to July 26 at the invitation of President Mikhail Gorbachev, PRAVDA reports.

Analyst Vsevolod Ovchinnikov comments in PRAVDA on economic reforms in the Soviet Union.

The newspaper runs an interview with Cuban Communist Party Secretariat member Carlos Aldana, who comments on Cuban reforms. Aldana recently led a Cuban Communist Party delegation on a visit to Moscow. Changes on Cuba "should aim to strengthen the people's and revolutionary democracy and be increasingly socialist in nature," Aldana stressed.

Other stories in PRAVDA comment on the situation in Yugoslavia and developments in South Africa, Poland, China, and the Middle East.

Economic

Shcherbakov on Economic Program, G-7 Meeting

LD1207171291

[Editorial Report] Moscow All-Union Radio Mayak Network in Russian at 1605 GMT on 12 July carries a 21-minute "conversation" with Vladimir Ivanovich Shcherbakov, USSR first deputy prime minister by political observer Valeriy Kiosa. The live conversation, on the "morning panorama: program takes place at an unidentified venue. Kiosa says that this program will deal entirely with the imminent G-7 meeting in London and its possible effects on the USSR. "Incidentally, Vladimir Ivanovich will accompany the president on that trip and take part in the talks. A few minutes after we finish our conversation, he will set off for the airport and then for London."

Kiosa says that this week saw the publication of the joint anticrisis program of the USSR Cabinet of Ministers and the governments of the sovereign republics. He asks if the USSR will be able to carry out what was agreed upon. How will it be carried out, and will the country have to wait for the results of the G-7 meeting in London before doing anything?

Shcherbakov makes the point that "we cannot, and will not, wait for any meetings anywhere. We are switching to a market economy not because someone in the West is prompting us toward it or is forcing us to follow that road—not at all. It is our internal requirement. We have to go that way ourselves, irrespective of whether there will be help from the West or not." In fact, he says, the implementation of the anticrisis program has already started.

Shcherbakov enumerates recent economic decrees and decisions. He then goes on to say: "I think that, in the near future, there will be a presidential decree on normalizing the consumer market, on special measures. All these are measures that are directly written into the anticrisis program. Of course measures of a different nature are also being prepared, such as those on improving finances, the credit systems, and monetary circulation. These measures have now been worked through by all the economic ministers of all 15 republics. We have already met three times in this very room. They have been worked through mainly by the finance ministers. At Novo-Ogarevo, at the last meeting, I reported on the first results of that work. The members of the Federation council said to finish the work quickly. I hope that we will finish it in the near future and will start to implement this. We are not going to wait for anyone."

However, he adds, the USSR could move faster if there were favorable decisions in other quarters and if help from the West materializes.

Kiosa then asks to what extent the Soviet joint anticrisis program has influenced the preparations for the G-7 meeting. He also asks whether the program can be altered to accommodate the outcome of the talks. In any case, he wants to know what program is at issue. "After all, Ignatenko, the president's press spokesman, says that the president will be going with his own program. What is the connection between these programs?"

Shcherbakov agrees that there are many different programs, although the differences generally concern practical details. The program has been signed by 10 republics, and a further three—Latvia, Lithuania, and Moldova—say that they are prepared to support and implement it, but cannot actually sign it for political reasons. There is no question of abandoning this agreed program, although there is scope for modification, so long as the general direction is maintained. "We think that, in the published version, we have reached the limit beyond which social tension in society will be too great, and that will prevent us from carrying out the policy. Higher compensation measures are needed—social compensators."

He states: "As for Mikhail Sergeyevich Gorbachev's independent program, I do not think that what Igantenko said was properly understood. Mikhail Sergeyevich certainly did not receive a vast number of different proposals, starting with Delors, president of the European Commission, and Attali, president of the European Bank. The Americans, the Japanese, and many consultancies sent some proposals. There is also the Yavlinskiy program. There are many very interesting concrete steps presented. He gives us all these programs to study. We express our viewpoint and then discuss them. I think that his position is now richer in content, but he is not going to abolish the program. It was only recently endorsed, but there are no programs that are dogma. Let's think again about everything that we are advised to do. Let's take everything into consideration once more. We are ready to take a look at these steps, but they have to be worked through. In that sense, the president's position is richer than the program, but they must most certainly not be seen as being in opposition to one another."

Kiosa moves on to the state's finances and to the question of federal taxation. He says that the program published in IZVESTIYA says that Russia and the Ukraine signed the program on the condition that only a fixed amount would be paid into the Union budget. "Does this mean that the idea of federal taxation, the direct taxation of enterprises, is not supported by them.?"

Shcherbakov replies: "I think that the positions here have changed quite markedly in recent times. At any rate, the latest meeting at Novo-Ogarevo, attended by Boris Nikolayevich Yeltsin and by Vitold Pavlovich Fokin from the Ukraine, showed the following: First, all are in favor of a federal tax. The point at issue is the form a federal tax will take. As regards form, previously as you know, Russia categorically rejected the possibility of direct taxation of enterprises. Russia's position has now become more consistent and calmer. Boris Nikolayevich has expressed his viewpoint as being: Here is my point of view; there is another point of view; let's discuss them calmly. I do not insist categorically on one version. Let's discuss them calmly." Shcherbakov states: I think that, with such a position, we will understand one another faster. We still have some time left. I think that we are obliged to agree in August."

He adds: "As for improving the finances, a special, very wide-ranging program has been prepared. I just mentioned it. The work is coming to an end. I hope that, after returning from London, one of the first actions that the president will carry out will be to assemble once again the leaders of all the republics and to discuss these absolutely concrete and clear measures."

After a two-minute musical interlude, Kiosa asks how preparations for the London meeting are going. Shcherbakov says that this is a matter for the president. He says there are many views about what the Soviet position should be. "I want to tell listeners once again: Do you understand the point? We are not going there to ask for anything. What is more, we are not gong to ask for anything from the West at all. This is our position. We propose mutually beneficial cooperation—mutually beneficial, not a sell-off of the Fatherland and not philanthropy on the part of the West or some sort of charity. We do not need anything. We say that we have everything for cooperating with the West in a normal and civilized manner. Let's start that work. That is the essence of our position. That will, I think, be talked about in specific drafts and specific formulations by the president. At any rate, that is how he is preparing for it."

Kiosa says that the USSR seems to be aiming for a completely new level of economic cooperation with the West—not just individual trade deals, but sustained work together. Is the USSR ready to play the game by the same rules as the West, and what are the rules?

Shcherbakov replies: "You have grasped the essence of the situation. We propose switching from individual trade agreements, from trade relations, to economic ones, to an interconnected economy, to mutually realized projects, and so on. That is our main task, in fact. What do we want to propose as the rules of the game? We say: We do not need the government money that we used to ask for. You tell your firms that you back the policy of cooperating with the USSR—not the policies of Gorbachev, Yeltsin, or Nazabayev, because an individual is just an individual—and that you believe in cooperation with the USSR, and then your firms will proceed to work with us. But they must work not with the government of the Union or a republic. They must work with their counterparts, with enterprises."

For example, Shcherbakov turns to the oil refining and petrochemical industries. In the USSR, only about 62 to 65 percent of the oil is refined and "vast quantities" are wasted, while the West manages to refine 95 percent. If the USSR could reach this level of efficiency, then less oil would need to be extracted, and the output of petroleum products would rise by almost 30 percent. This would be sufficient for both the USSR and the West to share in the benefits. Similarly, in the USSR only 74 percent of felled timber is actually used industrially. The rest—the branches and twigs—is simply burned. The West makes full use of 95 to 98 percent of felled timber. "We say: Let's divide the increase in half. That is profitable for you, and it is profitable for us." The individual firms can work out the details for themselves, but they need to be helped to find suitable partners.

Kiosa makes the point that the West seems to be cautious in its approach to the USSR as regards economic matters.

Shcherbakov says that this is true. The Soviet negotiating team has been advised not to ask for anything big at the G-7 meeting. He reiterates the position that the USSR will be proposing cooperation, not asking for handouts. The West's view is thus conservative, since it does not appreciate this difference in approach. "One cannot

wipe clean the slate of our period of earlier cooperation. We took out too much credit, vast quantities. If we take the past 10 years, the figures are astronomical, and it has all sunk into the sand. The West is terribly afraid that once again it is now necessary to hand over money, and this money will again sink into the sand. When we tell them about our position everyone realizes that we are proposing a fundamentally, qualitatively new level of cooperation, and, in general, it seems to me that there must be satisfaction from the meeting."

Kiosa says that there has been a certain amount of unrealistic euphoria both in the USSR and in the West over the forthcoming meeting. Shcherbakov agrees and comments that it is one thing for Harvard academics to say that the USSR needs #100 billion but it is governments that decide. No government has this amount of money. In the USSR, some people think that the matter is settled and that Gorbachev is just going to London to pick up a check.

Asked what results from the G-7 meeting would be good, Shcherbakov says that everyone has different views. "I personally would think it would be a vast achievement of the meeting, truly historic in nature, if we agreed to raise the Iron Curtain on both sides forever. As people keep telling us today, it cannot be raised on one side, only on two sides. Second, we could agree on the mecahnism for our entry into the world economic community, including entry into the World Bank, the IMF, and so on. There are quite a lot of such structures. Third, if we are able to find a mechanism for cooperating both with the EC Commission and with the seven via a long-term working mechanism whereby each time one could calmly and normally, without waiting for the seven, meet, discuss, tackle issues, and receive consultations and technical assistance, I think that it would be an enormous step forward. It is perfectly possible that even weightier results might be achieved, but I am an economist, and economists are always pragmatists. I think that it is completely realistic to expect these results."

Kiosa says that today he has been talking to Shcherbakov about what might be expected from the G-7 meeting. Will they be able to talk about the actual results when Shcherbakov returns from London? "Yes," Shcherbakov replies. "We are expecting to return on either 19 or 20 July. It might be possible to arrange such a meeting for Monday or Tuesday [22 or 23 July]."

Kiosa concludes: "Fine! We will count on being able to talk later about what happened in London, hopefully on Monday, 22 July, probably at this same time during Mayak's 'Morning Panorama' program."

Commentary on Type of Aid Needed From West

91UF0947A Moscow PRAVDA in Russian 5 Jul 91 Second Edition p 3

[Article by Vladislav Drobkov under the rubric "Point of View": "Arguments About the Aid, or What We Can Expect from the West"]

[Text]*From the pages of the press, from voices on the radio, from television screens, and from all kinds of podiums the word we keep hearing these days is "aid." "The West is ready to extend aid to the USSR," "The West is in no hurry to aid the USSR," "The program of economic aid to Gorbachev will be a priority in London," "'The seven' have more important business than aiding Gorbachev..."*

Variations on this and related topics have become the subject of numerous commentaries in both the foreign and Soviet press during the last few weeks. Assumptions are being made, scenarios constructed, large and small programs envisioned, and political conditions set—all in regard to the issue of developed capitalist countries rendering financial and economic aid to the Soviet economic machine mired in a seemingly bottomless pit of crisis and misfortune.

As so often happens in such cases, the substance is often lost behind the thicket of statements and forecasts, loud conjectures, and accusations (of the type of "a hand reaching for a handout" and "betrayal of socialist ideals"); the substance of a complicated problem, tied in with the entire complex of economic—and not only economic, but also political, moral, and, if you wish, philosophical—relations between West and East.

As I see it, the substance lies in the assertion that relief of global political tensions and transition from the "cold war" epoch to a period of good-neighborliness are unthinkable without establishing truly mutually profitable—without discrimination and deception—cooperation between the East and West. Yes, cooperation, not "the West paying for the reforms in the USSR," as some are trying to present it.

Is such cooperation possible, in particular, between the Soviet Union and "The Seven"? Or will it, considering our present weakness, inevitably turn into "cooperation between a horse and its rider?" This, in my opinion, is the crux of the entire problem of providing us with large-scale and truly needed Western aid.

Before searching for an answer to this question, however, let us agree on terminology. Does it not seem to you that Western partners and their press, as well as our commentators and politicians, often pin the label of aid on something that in reality is not aid at all?

Tell me, is it fair to call "aid" the credits given to us with a quite hefty interest attached? It would not hurt to remember, either, that a substantial, if not the main, portion of this money immediately returns to the "benefactors" as payment for previously accumulated debts or is used to service the USSR external debt. Thus, each such "investment" only puts us deeper into a debt hole, shifting the repayment to future generations.

An opportunity to buy fodder grain in the United States provided to us by the U.S. Administration does not look much like "selfless aid" either. There is no question that for our wretched agriculture the grain "dope" from

across the ocean is now as much a necessity as a morning drink is for an alcoholic. Perhaps, it is time to kick this bad habit, no matter how torturous and painful it may be, and learn to feed ourselves, not just in terms of grain? There will never be enough oil, gold mines, and diamond deposits if we keep squandering it all to stimulate the output of grain growers in Iowa or butter producers in New Zealand.

Neither would I put in the category of "aid" regular sales of industrial equipment or even of new technologies to the Soviet Union, especially if these deals are also made on credit and carry interest. The seller is just as interested, sometimes even more than the buyer, in a successful deal. It is laughable to treat each of such buy-sell deals as a "gift" from the West. Besides, it is long overdue for ourselves to bring our needs in line with our abilities. It is time to stop grabbing everything our foreign "benefactors" decide to offer us, without thinking first whether we can find proper use for their gifts. Multibillion piles of uninstalled foreign equipment that gather dust for years in warehouses, or even perish from exposure to elements, are the best proof of our bad management, encouraged by purchases made to meet the ministries' ambitions.

We live in a huge, fantastically rich country. The situation in which it has found itself now, for a variety of objective and subjective reasons, cannot last forever. There is a way out, and sooner or later it will be found. Then, perhaps, the time has come, my esteemed compatriots, to transfer our economic relations with the West from the sphere of false charity into the sphere of normal business relations? Let us stop experiencing the naive joy of a savage who receives "glass beads," even computer-made ones, in exchange for gold nuggets.

I am deeply convinced that we need (actually, the developed capitalist countries need it, too) the boldest expansion of true business cooperation with the West. Having done with the "cold war," having removed many artificial barriers and walls that separate the peoples, having lightened the burden of military expenditures, we can and should achieve a genuine breakthrough in establishing an international division of labor.

Yes, so far our industry has not been able to make its products competitive with the industries of Western countries. Yes, our transportation and communications, our entire economic infrastructure, are in a lamentable shape. Yes, we have a very long way to go to perfection in the social sphere, in health care, and in supplying the population with the basic goods. But this is precisely what may—paradoxical as it may sound—make it easier for the USSR to merge into the world economy.

First, it would seem that for at least a couple of decades we will not present a competitive threat to leading Japanese, American, and West European monopolies. Therefore, for them the Soviet Union may turn out to be a profitable place for capital investment without entailing the risk of financing tomorrow's competitors.

Second, to say that the gigantic Soviet market is not oversaturated, as the Western market is, with goods and services is to say nothing; it is an arena of almost all-out shortages. As a result it presents opportunities for selling all kinds of goods: from toothbrushes to modern passenger aircraft. Those foreign companies that come here first and gain a foothold in this market will, in my opinion, not have to worry about their future, even in the environment of economic decline that is threatening the West.

Third, for ourselves—provided that we determine sensibly the priorities for modernizing our economy and the development of its most promising branches—the task is made easier by the fact that we can right away, without repeating the mistakes of others, use truly advanced technologies that ensure a quality market in crucial production spheres. Both the Japanese and the German "miracles" provide graphic examples of how a new structure of economic prosperity can be built on top of the ruins.

I assume there are many other spheres as well, in which our current backwardness creates potentially favorable preconditions for a fast growth of production capacities, first of all in the most promising areas.

The most important emphasis, in my opinion, should be made not on attracting to our country government or bank credits, which often have various political strings attached, but on direct investments tied to specific projects and programs.

Naturally, businessmen who invest their money and business acumen in any projects on USSR territory should receive a guarantee that their investment will produce a profit. I am sure that those republics that are the first to adopt laws that sensibly regulate all issues related to foreign investment and companies will also be the first to reap the gain and be able to attract the largest number of foreign businessmen. The capital will inevitably flow where the conditions are best its multiplication. Then we will not need wordy intergovernment communiques about good intentions and the desire to help perestroyka.

All of the above does not mean, however, that the leadership of "the Seven" that is gathering in London is not able to help us in any way. On the contrary, we need very much for the governments of leading Western powers to create appropriate conditions for their own businessmen who wish to do business with the USSR—such as, for instance, the long-discussed American most-favored-nation status in trade. I think that granting our country this status would attest to good intentions on the part of Washington much more vividly than a hundred of the friendliest assurances.

The EEC member countries could also give a boost to the development of specific programs of cooperation with Eastern Europe, including the Soviet Union. To say nothing about Japan, which possesses gigantic economic and financial potential. If the fixation of some Japanese

politicians on the problem of four islands in the Kurils continues to present an obstacle to establishing normal mutually profitable economic ties between the Land of the Rising Sun and the USSR for several more years, I am afraid that Japanese businessmen will have to settle for the role of a guest coming late to a formal dinner...

So, do we need aid from "the Seven"? If we are talking about the aid some people in the West and in our own country associate with food parcels from unused strategic reserves of the "cold war" and camouflaged by "soft ultimatums", my answer would be—"No"! Such "aid" will bring us nothing but shame and attempts to tie it to political concessions.

Do we need multibillion credits to financially support plant and factories undergoing privatization? I doubt it. Why should our children and grandchildren have to pay the West for our debts and subsidize the profits that foreign and domestic businessmen are counting on? Business always involves risk; let the businessmen take that risk.

I am convinced that only cooperation that is mutually profitable and free from political conditions and artificial restrictions with the West will be able to accelerate and ease up our way out of the current crisis. To ensure this mutual benefit, remove inappropriate political demands, end discrimination, and destroy artificial barriers—this is a task worthy of statesmen who have proclaimed as their goal the creation of a new, safer, fairer, more democratic, and freer world. If they succeed in this difficult task in London, then we will all have the right to hope that the West will truly help us.

Oil Exports Predicted To Drop, Minister Warns

OW1207074691 Moscow INTERFAX in English 1500 GMT 11 Jul 91

[Transmitted via KYODO]

[Text] Soviet oil exports may drop 25 percent or even several fold if the Government's measures to increase oil production fails to be carried out this year, said the USSR Economy and Forecasting Minister Vladimir Shcherbakov at a press conference on Thursday. Even if these measures are carried out, exports will not exceed the 1991 level next year. According to the minister, oil production is in a sorry state bcause "over the last three years export potential has been badly battered," but what that means the minister did not spell out.

Meat, Butter, Cheese Production Falls 13 Percent

LD1007211391 Moscow TASS in English 2058 GMT 10 Jul 91

[Text] Moscow July 10 TASS—The production of meat, butter and cheese fell 13 per cent in the Soviet Union this year, worsening food shortages in most parts of the country, according to a government commission on food.

The production of sausage fell ten per cent, compared with last year's figures.

Grain yields are forecast at 185-195 million tonnes, 23-33 million tonnes less than last year, officials said. Some 60-65 million tonnes of grain will be harvested for the state reserve, given that the agro-industrial complex works efficiently and provided there is assistance from cities.

The commission summed up the results of work in the first half of the year and discussed stabilisation measures and efforts to form a state reserve with grain collected in 1991, as well as measures to commission new processing plants.

Moldovan Draft Law on Privatization

914A0838B

For this draft law published in the 24 April 1991 CURIERUL DE SEARA, see the FBIS Report Soviet Union: Republic Affairs, FBIS-USR-91-012, dated 9 July 1991, pp 71-77.

USSR Law on Inventions

914A0868A

For this law published in the 15 June 1991 IZVESTIYA, see the JPRS Report Soviet Union: Economic Affairs, JPRS-UEA-91-030, dated 10 July 1991, pp 4-15.

USSR Draft Law on Labor Safety

914F0245A

For this draft law published in the 18 June 1991 RABOCHAYA TRIBUNA, see the JPRS Report Soviet Union: Economic Affairs, JPRS-UEA-91-030, dated 10 July 1991, pp 103-107.

RSFSR Law on Militia

91UN1702A

For this law published in the 16 May 1991 ROSSIYSKAYA GAZETA, see the FBIS Report Soviet Union: Republic Affairs, FBIS-USR-91-012, dated 9 July 1991, pp 83-94.

Agricultural

Grain Harvest Forecast at 185 Million Tonnes

LD1507091991 Moscow Radio Moscow World Service in English 0800 GMT 15 Jul 91

[Text] The Soviet Union has published an official forecast for a possible grain harvest. Specialists say it may be 185,195 million tonnes, which is considerably lower than last year's. The drought that struck vast expanses of the Urals, Western Siberia, and Kazakhstan is a very negative promise [as heard]. To prevent grain losses in other regions more machinery is being sent there.

The government of the Russian Federation has decided that the grain supplies additional to the state-ordered ones will be paid for in hard currency.

State Grain Order Declared Obligatory

LD1307180591 Moscow All-Union Radio First Program Radio-1 Network in Russian 1400 GMT 13 Jul 91

[Text] According to the decision adopted by the USSR Cabinet of Ministers on measures for ensuring the coordination between the actions of the Union and the republican organs in supplying the state grain reserves from the 1991 harvest, the state order for grain supplies into the state reserves, including the all-Union reserve, is declared to be obligatory. In cases of not fulfilling the required quotas for the supplies, the document stresses, there will be no compensation for this to such republics from the all-Union funds.

As an incentive for the working collectives of the collective and state farms and other agricultural enterprises and procurement organizations, a large quantity of passenger cars, goods in short supply, and construction materials has been allocated. According to this decision, the practice of purchasing grain and seeds of oil-bearing crops from the enterprises for convertible currency has been extended to this year. The collective and state farms can also sell their produce at the commodity grain exchanges for contractual prices, but only on condition of fulfilling their state order first.

'Poor Harvest' May Result in Belt-Tightening

PM1207131991 Moscow Russian Television Network in Russian 1700 GMT 9 Jul 91

[From the "Vesti" newscast: Report by E. Dzhafarov]

[Text] [Dzhafarov] Meat has appeared (?in quantity) at city markets. But this is not a sign of abundance. Farmers are killing livestock because of feed shortages. Meanwhile the inhabitants of Rostov, just like the inhabitants of Volgograd incidentally, have forgotten when they last saw food in the stores. They go from store to store with empty bags.

[Unidentified man] There is no sugar this month.

[Unidentified woman] I was unable to buy either sugar or butter, this month. And the same goes for last month.

[Dzhafarov] How long has this been going on?

[Same unidentified woman] Since January.

[Same unidentified man] Since 1917.

[Dzhafarov] In view of the fact that we will have to get through a year with a poor harvest, we will obviously have to tighten our belts. And if the desire to eat becomes too strong, we may even have to turn to specialists like this one.

[Unidentified specialist] I suggested at a conference how the food problem could be solved. Let us stop making people neurotic, and food consumption will automatically go down by 40 percent at least, and possibly 50 percent.

Feed Shortages May Result in Slaughter of Cattle

PM1207144191 Moscow IZVESTIYA in Russian 9 Jul 91 Union Edition p 1

[V. Konovalov report: "And Another Emergency During Haymaking"]

[Excerpt] There will probably be more meat on the counters soon—that is the gloomy prediction that can be made on studying the progress being made in the procurement of feed in the country. There is no mistake or confusion in this sentence. The prediction that is being made today is indeed essentially gloomy. The point is that the pace of work at the feed procurement centers is falling significantly behind last year's schedule in practically every region in the country. If things carry on like this, the supply of feed for the winter will be so scant that it might lead to another reduction in head of cattle. The peasants will not be in a position to feed the cattle, and will be forced to throw meat onto the counters. But this temporary effect of improving the supply of meat products is fraught with serious consequences. It is much harder to restore heads of cattle than to reduce them, and indeed you need a great deal of time for this.

However, any prediction is fairly conditional. And there are still opportunities to improve the state of affairs. However, according to reports from IZVESTIYA and TASS correspondents, in many regions in the country there has as yet been no significant improvement in the procurement of feed. The causes for the chronic irregularities in the work of feed procurers are well known: Equipment lets them down, or else expectations of obtaining assistance from partners in the cities are shattered. And of course, nature introduces major amendments into the farmers' plans.

References to the whims of the weather seem to be unpopular at the moment. After all, in actual fact the consequences of any natural disaster are still less devastating for the peasant than the set-backs of the administrative edict system of running the economy, which are still very much being felt.

But what can be done if there have been practically no oases of favorable weather for the feed procurers since the very beginning of haymaking? Wherever heavy rain has not stopped the work, a severe drought has set in. Even if it does abate and the heat does not last long—then it starts raining heavily straight away.

And nevertheless there are examples of certain farms, areas, and whole oblasts managing to achieve success recently even in the same unfavorable conditions as their neighbors have had. How have they done this? As a rule, work has been carried out in the feed procurement

centers more successfully in places where people rely on economic levers and grant peasants greater opportunities as regards autonomy and enterprise. [passage omitted]

Officials View Fuel Shortage in Agriculture

PM1207103391 Moscow PRAVDA in Russian 8 Jul 91 Second Edition p 1

[Interviews with V.N. Kostyunin, deputy chairman of the USSR State Committee for Material and Technical Supply, and V.N. Kulagin, first deputy minister of the Ministry of the Petroleum Refining and Petrochemical Industry, by V. Parfenov; places and dates not given; first two paragraphs are PRAVDA introduction; under the rubric "Piercing Signal": "'Not Cold Water From a Well'"]

[Text] A telephone call from Tajikistan sounds the alarm. The corn fields are ripe but there is no gasoline for refueling harvesting machinery—the Fergana Oil Refinery is letting down Osh farmers. Didn't they even used to sing in a song that what a tractor needs is gasoline and "not cold water from a well..."

I reporting the alarm signals to the same old quarter—the USSR Gossnab [State Committee for Material and Technical Supply]—a department living out its last days. The receiver is picked up by V.N. Kostyunin, its deputy chairman who has been in charge of supplying fuel to the national economy all these years.

[Parfenov] What gasoline reserves are there for harvesting work?

[Kostyunin] The situation is alarming. The chain of breakdowns begins with the oilfields. In the first quarter raw alone material extractors provided refiners with 9 million tonnes less raw material than was required.

[Parfenov] Why has the USSR Gossnab not seen to it that the state order was fulfilled?

[Kostyunin] I have only a pen and telephone left. The USSR Ministry for Material Resources has not been set up, while Gossnab is in a state of collapse. The center has fewer and fewer rights left; power is being handed over to local bodies. But locally everyone is doing his own thing.

[Parfenov] Maybe the gasoline situation will stabilize in the third quarter. Because won't the harvest soon get under way throughout the country?

[Kostyunin] Over six months the national economy has received around 2 million tonnes of gasoline less than it should have. Nor is there a ray of hope in the third quarter. Now they are saying fact that a certain quantity of gasoline will have to be purchased...

[Parfenov] But if we really refined our oil into light products as comprehensively as the United States, wouldn't the same question have to be raised?

[Kostyunin] Of course. But that is not a question for me. [Kostyunin ends]

A call to V.N. Kulagin, first deputy minister of the Ministry of the Petroleum Refining and Petrochemical Industry. Vitaliy Nikolayevich reassured me about one thing at least: A bigger quota of diesel fuel will be produced, and harvesting machines will receive as much as they need of it. It is really more complex with gasoline. The sector has not received the necessary volume of raw material for refining. Extraction has fallen, and so has refining. New facilities have to be set up for more comprehensive refining. But the country does not have any spare money or resources. We are now fulfilling the state order for gasoline production. True, a fall in production was projected in June because the facility at Groznyy went out of service, as did another one in Nizhniy Novgorod Oblast. We are sending all the fuel produced to the republics. But there they have their own distribution system—republic committees and concerns. And at their discretion these can give one consumer more gasoline and another less. I think that with gasoline being scarce its supply should be fully guaranteed for the countryside's needs first of all. Now, at the height of the harvest, it is the main consumer. [Kulagin ends]

My first interlocutor talked about how oil resources are distributed:

[Kostyunin] As the market has been gaining momentum, oilmen have been allowed to sell a certain percentage of extracted fuel to whoever will offer the most. And so exchanges are springing up like mushrooms after rain in oil extracting regions and more and more foreign consumers are buzzing around them.

Possibly, when the USSR Ministry of Material Resources gets on its feet matters will improve. All of us are duty bound to think not about selling or bartering scarce resources for a slightly higher price but about completely satisfying domestic consumers, and first and foremost those who are called on to gather the harvest without wastage.

Resolving Foreign Economic Activity Problems

PM1207123991 Moscow ROSSIYSKAYA GAZETA in Russian 9 Jul 91 pp 1, 4

[Aleksandr Stoyanov report under the "Russia and the World" rubric: "Difficult Steps Toward Currency Sovereignty"]

[Text] The RSFSR [Russian Soviet Federated Socialist Republic] and the USSR International Bank for Economic Cooperation [IBEC], together with the USSR IBEC's agents on Russian territory, devoted the latter part of last week to elaborating practical steps to transfer control of foreign economic activity to Union-republic level. A decision was adopted to delegate to regional IBEC services the functions of technical drafting of registration certificates for the inclusion of legal entities on the register of participants in the RSFSR's foreign

economic relations. The functions of the technical drafting of licenses for the right to be involved in foreign trade are also delegated to the local agents.

This scheme is written into a system whereby IBEC agents have a double subordination—to Union and Russian departments simultaneously. This system is of a transitional nature, and will be effective until a final solution is reached on the fundamental questions of the delimitation of powers between parties to the new Union treaty.

In line with accepted procedure, the Union ministry registers as participants in foreign economic relations enterprises and organizations under Union control, Union-republic control, Russian republic control, and enterprises and organizations under no controlling authority. The republic IBEC reserves for itself control over registration and licensing. But most importantly of all, it will now be able to concentrate on developing a standardized and methodical basis for work in this sphere; it retains the duty of adopting fundamental decisions on questions of access to the foreign market for enterprises with different forms of ownership. It will be the republic IBEC that keeps the State Republican Register of Participants in Foreign Economic Activity and which coordinates their activity with the aim of implementing socioeconomic programs proposed by the Russian leadership.

Specialists believe that the proposed scheme of collaboration between Union, republic, and local foreign economic organs, apart from anything else, should help to regulate the activity of Soviet and Russian enterprises as they seek access once more to the international economic arena and reduce the losses inflicted on state interests by the incompetence and selfishness demonstrated by many novices.

Of course, many questions arise in connection with the proposed measures. The most complex of these is how consistently the Union state organs will fulfill the accords on transferring control of foreign economic activity to the Union-republic regime. The underlying document here is the Union-Republic Currency Committee's decision on the distribution of functions in the sphere of licensing and import restrictions. The drafting of this document has been going on for a long time—it began last year and proceeded with great difficulty. And now the republics' signatures are on it—but one signature is still missing, that of USSR Prime Minister Pavlov.

His delay over signing is making many people ask themselves the question: Is this dilatoriness not a sign of a repeat of the situation of October last year, when the center unilaterally rejected a joint action program with Russia? Similar fears are engendered also by the course of discussion of the new Union treaty, whose draft contains insufficient guarantees of the republic's sovereignty in the sphere of foreign economic activity. Nevertheless, the Russian IBEC is structuring its work starting from the premise that the questions of the delimitation of powers will be settled in the spirit of existing accords on collaboration, and in particular that Pavlov will sign the Currency Committee's decision on the issue of licenses and import restrictions.

The actions of the republic Supreme Soviet and the Russian government are also based on these foundations. Thus, for example, the Supreme Soviet instructed Silayev's cabinet to settle, jointly with the Union government, the question of the creation of a Russian Customs Service and the transfer of all the customs posts on RSFSR territory to Russian jurisdiction. The question of transferring, no later than the third quarter of 1991, the functions of issuing licenses for all goods of republic importance (timber, ferrous and nonferrous metals, and energy sources) under import restrictions is being settled.

Scientific

Cosmos-2152 Fails, Burns Up Over Atlantic

PM1207104991 Moscow KRASNAYA ZVEZDA in Russian 10 Jul 91 First Edition p 5

[Unattributed report: "Failed Launch: From the Press Service of the Chief of Space Units"]

[Text] A Cosmos artificial earth satellite (code number 2152) was launched at 1620 hours on 25 June. The satellite, launched from the northern space station of Plesetsk, was due to enter its planned orbit by firing the first-stage engine and firing the second-stage engine twice. This process was monitored for nine minutes from the space station and then for around 11 minutes by units of the control and metering complex [komandno-izmeritelnyy kompleks] after which the rocket left the zone of visibility.

The first stage separated in the planned area after using its fuel and the second-stage engine fired. Approximately 30 minutes after take-off the second, brief firing of the second-stage engine was due to take place but this did not happen, according to the specialists, because of malfunctions in the engine's pneumatic control system. Consequently the second stage, which was attached to the satellite, left its planned orbit and, descending in a ballistic trajectory, passed over Antarctica and burned up in the dense layers of the atmosphere over the Atlantic in a shipping-free region northeast of the South Canaries.

Mir Cosmonauts To Perform Space Walk 15 Jul

LD1407221791 Moscow All-Union Radio Mayak Network in Russian 2100 GMT 14 Jul 91

[Text] The crew of the Mir orbital complex is to carry out an EVA [extra-vehicular activity] today [15 July]. Anatoliy Artsebarskiy and Sergey Krikalev are to install a 14-meter lattice girder on the outer surface of the complex to which scientific equipment is to be fixed. The

experiment will require a number of EVAs. In July alone the cosmonauts will probably have to leave the station several times.

Four Space Walks Planned

LD1207165591 Moscow Radio Moscow World Service in English 1200 GMT 12 Jul 91

[Text] Soviet cosmonauts Anatoliy Artsebarskiy and Sergey Krikalev working on the orbital complex Mir will make four space walks this month.

The first one will be on Monday. The crew is to assemble a 14 metre-long structure and this will require no welding or bolting. The structure is made of alloys that memorize the original form. On Earth their diameter changes with the use of special technology and in space the same elements when heated remember, so to say, their original forms and join together solidly.

Military

Army Party Committee on Democratic Reformers

PM1407135191 Moscow KRASNAYA ZVEZDA in Russian 11 Jul 91 First Edition p 1

[Statement by Bureau of All-Army Party Committee of USSR Armed Forces CPSU Organization: "For the Unity of Party Ranks"]

[Text] The Bureau of the All-Army Party Committee of the USSR Armed Forces CPSU Organization has discussed the appeal of the organizers of the "Democratic Reforms Movement."

Army Communists do not reject everything that works for progressive democratic transformations in society. We support and widely propagandize within the military the decisions adopted by Congresses of People's Deputies, the Supreme Soviet, and the USSR president aimed at creating a democratic, rule-of-law state guaranteeing the individual's freedom of spiritual development, a dignified existence for every Soviet person, and our motherland's security. We favor the consolidation of all progressive forces, as cogently stated at the 28th party congress and at subsequent CPSU Central Committee plenums.

This is precisely why it is impossible not to see the overt pretensions of the movement's initiators as to its subsequent transformation into a party acting in opposition to the CPSU.

For the umpteenth time declarations about deepening democracy conceal an intention to destroy the Communist Party and its organizational foundations and to remove them from political life.

From the organizers' viewpoint the time was chosen very felicitously: during discussion of the draft new CPSU Program. It is hard to call this step anything but cunning.

The Bureau of the All-Army Party Committee deems it necessary to say the following:

We have not lost faith in the democratic potential of our party. The most progressively minded and motivated section of society is in its ranks.

We cannot trust the individuals in the organizational nucleus of the "Democratic Reforms Movement." They used to have practically unlimited political, ideological, and organizational potential for maintaining the party's prestige. These people swore loyalty to it, but at a difficult time they found no other way out than to betray it.

In whatever guise separatist ideas are presented, it is not hard to understand that any division which undoubtedly has definite aims will lead to nothing but a split.

The Army section of the CPSU has always been distinguished by organization, cohesion, and devotion to the ideals of Soviet patriotism. Ideological vacillation in the ranks of Communists poses a threat to the unity of military ranks and to stability in our society.

Neither civic conscience nor the duty of the Fatherland's Communist-defender enable us to support the movement's initiators, who are leading matters toward a split in the CPSU and the further fueling of tension in society.

[Signed] Bureau of the All-Army Party Committee of the USSR Armed Forces CPSU Organization

Law May Abolish Draft Deferment for Students

PM1207151991 Moscow KOMSOMOLSKAYA PRAVDA in Russian 10 Jul 91 p 1

[S. Sokolov report under the general heading "Private Lomonosov, Step Forward!"]

[Text] Half a million students will have to leave higher educational establishments if the new law on universal military service is adopted.

It appears that many of the students who have happily departed on their vacations have every chance of ending up in army barracks in the fall instead of back at their desks. I was told by USSR People's Deputy Major Vladimir Zolotukhin that Supreme Soviet working groups are actively elaborating the draft law "On Universal Conscription and Military Service." The legislators are being hurried along by the USSR Cabinet of Ministers; today, 10 July, the calculation of the law's economic cost is to be completed.

For students the draft is depressing news—under the draft, they are no longer entitled to any deferment of conscription. Furthermore, paragraph 10 on student training at [higher educational establishment] military departments is ambiguous. It is not clear whether "service" at these departments exempts students from the draft or not.

The underlying political cause of this haste is obvious, Viktor Minin, deputy chairman of the USSR Supreme Soviet Committee for Youth Affairs, believes. By putting off in every possible way the adoption of what the army considers to be a fundamental law on the concept of military reform, the Ministry of Defense is trying, via its deputy lobby, to push through essentially antireformist laws.

Opinion of the General Staff:

Generally speaking, the draft for military service is a matter of the state rather than the Army, Lieutenant General I. Matveyev, a senior official of the USSR Armed Forces General Staff, said in response to our request to comment on the situation.

By losing the students, the Army was deprived of educated people who were trained mainly to become junior commanders and specialists. In a number of cases this has jeopardized the combat capability of units, icluding alert duty units. Quite apart from the Army becoming a purely "worker-peasant" army, a large number of problems have emerged in connection with the increased proportion of draftees who have a poor command of the Russian language.

At present we can draft no more than 48 out of 100 people—the rest are unsuitable, either for health or other reasons. Understaffing in the Armed Forces has reached a colossal figure running into several hundred thousand men.

In other words, the possible drafting of students is a forced measure, and by no means an attempt "to undermine" public education.

BALTIC REPUBLICS

Baltics Want Exclusion From U.S.-USSR Trade

LD1207203191 Riga Radio Riga Network in Latvian 2000 GMT 11 Jul 91

[Excerpt] On 11 July the Ministry of Foreign Affairs of Latvia sent to the U.S. Senate and Administration a joint statement by the heads of Government of Latvia, Lithuania, and Estonia in connection with the draft trade agreement between the USSR and the United States. The statement expresses a request by the governments of the Baltic states to exclude them from the agreement between the USSR and the United States, the main contents of which is the granting of the status of most favored nation to the Soviet Union in trading with the United States.

As Latvian Foreign Minister Janis Jurkans noted in an interview to the press service of the Ministry of Foreign Affairs, the Governments of Latvia, Lithuania, and Estonia are (?concerned) that the special status of Latvia, Lithuania, and Estonia has not been enshrined in the draft trade agreement. If the document were to be signed in the form in which it was submitted for examination at the U.S. Senate on 11 June, it might come into contradiction with the U.S. policy not to recognize the willing entry by the Baltics into the composition of the USSR. The consequences of such a situation could quite seriously affect the Baltics.

If the United States really wishes to help us in assisting to create an independent economy, Janis Jurkans continues, it can do this by restoring the agreements signed in the 1920's between Latvia and the United States, and also the agreement on granting most favored nation status to Latvia. This would testify that the United States recognizes the de facto independence of Latvia, Lithuania, and Estonia. [passage omitted]

Estonia

Tension Mounts in Narva; Ruutel Receives Appeal

OW1507082291 Moscow BALTFAX in English 1915 GMT 12 Jul 91

[Transmitted via KYODO]

[Text] Tension has been mounting in Narva, a city with a predominant Russian-speaking population, says BALTFAX. This is connected with the Estonian parliament's decision passed in late June to suspend the discussion of whether Narva should be given the status of a free economic zone, a sharp food price hike, and the decision of the Narva City Council to scrap a customs post on a bridge across the River Narva and reciprocal measures of the Estonian Government: the restoration of a post at a highway in the countryside beyond Narva.

There was a meeting in Narva on Wednesday that called for the cessation of the northeastern part from Estonia and the formation in the region of an autonomous entity within the USSR.

On July 11, chairmen of the city councils of the three cities in northeastern Estonia—Narva, Kohtla-yarve, and Sillammae whose populations oppose Estonian independence sent an appeal addressed to Estonian chairman of the Supreme Soviet Arnold Ruutel. The appeal emphasizes that the existence of customs houses in the region is unacceptable for the local residents, hence "the establishment of a customs post on July 10 on the Narva-Sillammae highway is a mistake that can lead to further destabilisation of situation."

"We believe it possible to resolve the situation through dialogue and hope for your participation in the settlement of the matter. Otherwise the conflict can produce unpredictable consequences," said the three city councils of the Estonian Russian-speaking cities in their missive to Ruutel.

On Friday, officers of the Estonian Customs Department went to Narva to negotiate with the local authorities.

The board of the Estonian Independence Party, a radical organisation, came out on July 12 with an open letter to

the republican Premier Edgar Savisaar. The letter severely criticized the Government's price policy. According to the party's board, following the liberalisation of food prices on July 1, the Government "proved its weakness once again."

According to the letter, "the majority of the Estonian population live at a level beyond which begins hunger."

The missive demands that the Estonian Government raise pensions and wages and salaries for the workers of the organisations financed from the state budget.

Customs Post Operation Noted

LD1307154691 Moscow All-Union Radio Mayak Network in Russian 1400 GMT 13 Jul 91

[Text] The following is a TASS report from Tallinn: A mobile customs post was installed on the 191 km of the Tallinn to Leningrad motorway this morning. It consists of approximately 30 members of the (Kodukayste) organization. They are checking private and state vehicles, inspecting freight and licenses for exporting freight. The mobile customs post was installed instead of a stationary one which had existed in Narva on the bridge of friendship before 5 July. The latter was eliminated in connection with a decision issued by the Narva City Soviet. Inhabitants of the northeastern region of the republic and deputies of the three city soviets—Silamyae, Narva, and Kokhtla-Yarve—harshly protested against the work of customs officers. Employers of the Union volunteer team for the preservation of order arrived at the place where the mobile post is located. They hinder the attempts of (Kodukayste) members to detain transport and inspect freight.

Estonian Prime Minister Savisaar arrived in Narva where the mobile post is located. His request not to impede personnel of the republican customs service and (Kodukayste) fighters carrying out their work went unheard. Meanwhile, the situation is becoming more and more tense. It is likely to become even more unpredictable tonight when, fulfilling the instruction of the prime minister, they might try to restore the customs post on the bridge of friendship in Narva, which connects Estonia with the Leningrad Oblast.

Russian-Speaking Deputies View 9 Jul Blast

OW1507073191 Moscow BALTFAX in English 1500 GMT 13 Jul 91

[Transmitted via KYODO]

[Text] The newspaper "MOLODYOZH ESTONII" reports the Presidium of the Interregional Council of Estonian People's Deputies—the organization uniting all Russian-speaking deputies—has issued a statement following an explosion in the Estonian Border Protection Department's building on July 9.

The statement says the explosion was committed by extremist forces seeking to destabilize the situation in Estonia and provoke a conflict.

The Interregional Council of Estonian People's Deputies confirms its adherence to political methods of settling disputes and proposes to disband all nonstate military units by September 1, 1991, the statement points out.

It also contains a request to Estonian Interior Minister Olav Laanjarv to combat organized crime and burgeoning terrorism more decisively.

Meanwhile, the investigation into the July 9 explosion is under way. On Friday, Estonian TV showed a suspect's approximate picture drawn according to witnesses' evidence.

Latvia

Gorbunovs Comments on Moscow Visit

LD1207204191 Riga Radio Riga Network in Latvian 2000 GMT 11 Jul 91

[Excerpts] Anatolijs Gorbunovs, chairman of the Supreme Council of the Republic of Latvia, returned today to Riga from Moscow. [passage omitted] At Riga Airport he was interviewed by Janis Podins from Latvian Radio:

[Begin recording] [Podins] Mr. Gorbunovs, what are your impressions of the trip to Moscow?

[Gorbunovs] First of all, the ceremony in which the first president of Russia swore his oath. It was impressive and emotional. Of course, at least to me, it appeared that in this ceremony the speech by Mikhail Gorbachev, the USSR president, struck a discordant note. [passage omitted] I think that for us in Latvia, Yeltsin's stance on our Baltics' question, on our Baltics' problems, would be important. I think that it is unchangeable and consistent, and this is most important. That he was one of the first to defend the parliament of the Republic of Latvia, the democratically elected parliament and the government, during the tragic days of January, and his stance today is such that we may expect this from him also in future.

[Podins] Your assessment of Gorbachev's congratulations was rather cool.

[Gorbunovs] Well, it seemed to me that it was not congratulatory, but I at least evaluate speeches in such a way that they are sharp or unpleasant, but the speeches at such moments must be elegant. It appeared to me that the speech by the USSR president was not elegant.

[Podins] Did you have any other meetings or talks in Moscow?

[Gorbunovs] We had a meeting with Yavlinskiy, the economist who is drawing up his program, and who also advises Mikhail Gorbachev. [end recording]

TASS Documentary on Latvia Reported

LD1407120991

[Editorial Report] Moscow Central Television First Program Network in Ruissian at 1528 GMT on 12 July broadcasts a 70-minute documentary film made by TASS entitled "Latvia: A Moment Before the Future" [Latviya: Mig Pered Budushchem] showing the different political camps involved in recent events in Latvia and featuring interviews with some of the main protagonists. The film was made and presented by journalist Aleksandr Antsiferov, who says in a three-minute introduction that this will be a "film without commentary" because the idea is to allow "those with ears to hear" to reach their own conclusions.

The film first shows the Freedom Monument in Riga: a nationalist rally; and the Latvian People's Front building. Antsiferov is then shown interviewing Romualdas Razukas, leader of the Latvian People's Front. Antseferov says: "To be honest, I don't subscribe to the point of view that the prime cause of the tension in the republic is the so-called problem of interethnic relations. Mind you, I think it is no longer apt to refer to it as 'so-called,' because the problem really does exist, and almost every day, it could be said, regrettably brings evidence that the erstwhile unbreakable union is in danger of collapsing. And the danger of this destructive avalanche is a direct threat to every one of its inhabitants."

Razukas says: "I would like to quote the words of Denisov, a Moscow deputy, or rather a Union deputy, who was speaking in the Supreme Soviet after a certain period of observing the situation and meeting people. He clearly stated that there is no ethnic, interethnic, or nationalities problem here. What there is here is a political and social problem. That is something I would like to agree with, because the main thing that is currently taking place in Latvia is that the Communist Party, which has lost power—it genuinely lost power here: at the elections we got two-thirds of the vote, and formed our own government—is now attempting to regain its power using forcible methods, and even through the use of the armed forces. That is the heart of the matter, and I think it would be wrong not to see that and understand it."

Antsiferov then says: "The People's Front recently adopted a new programme—If I'm not mistaken, it's the third one. And one of the sections in it deals with ethnic matters and the policy on nationalities. It proclaims equal rights for all the nations living on Latvian territory. But at the same time, one of the provisions stresses that priority in the development of the nations and nationalities living on Latvian territory will be given to the indigenous population. Will you not have a situation in which all the nations in Latvia will be equal, but at the same time you will have people who are most equal of all? Isn't there not a danger of that sort?"

Razukas replies: "You see, Latvia is the only place where the Latvian people can live and survive as a nation, as a culture, as that totality which is termed Latvia and Latvians. And there is no doubt at all that in any state in the world—Latvia or any other—the prime task is to ensure that the nation and the culture survive.

More film of the nationalist rally and shots of the Latvian Communist Party Central Committee building follow. The narrator says: "The Central Committee of the Latvian Communist Party. The Latvian Communist Party was established in 1904. By the beginning of 1990, it had around 180,000 members. At the party's 25th congress in April 1990, there was a split in its ranks. According to the press center of the Latvian Communist Party Central Committe, the party currently comprises 120,000 communists. The leader of the party is 56-year-old Alfred Rubiks, member of the CPSU Central Committee Politburo."

Antsiferov is then shown interviewing Rubiks. He asks: "Alfred Petrovich, one could say that the Republican Party is in something of an uncomfortable predicament. You are no longer the ruling party. How have your strategy and tactics changed as a result?"

Rubiks responds: "Yes, there is of course a big difference between the way we felt and acted even 18 months or two years ago, at the beginning of perestroyka, and the way we operate now. That is because when we became an opposition party, a party deprived of the opportunity to take part in forming the present government, our tactics naturally changed, but all our old aims remain. We have not renounced a socialist path of development in our republic: quite the reverse, we advocate the affirmation of such a path. We advocate the republic's remaining in the Union. We do not deny the possibility of secession from the Soviet Union, but this must be done by constitutional means, and not by means of parliamentary voting and a parliamentary coup. In the republican Supreme Soviet, we act as a party, or rather as a faction of our party, which is trying to pursue its operations in opposition in a constructive manner. This constructive approach resides in the fact that we draw up our own draft decisions and even whole draft laws, which we table for consideration. Unfortunately, the majority grouping never listens to our views. That is one of the causes of such a profound fundamental conflict between these groupings. It can now be boldly stated that following the emergence of such a concerted approach in the republican Supreme Soviet among the majority grouping representing the People's Front and the Congress of Citizens and its citizens' committees, it has become clear that, if these forces triumph, the republic is heading for the establishment of a totalitarian nationalist regime. Moreover, the people behind this are not Latvians, the ordinary people who live here in the republic, but these politicians who want at any price to create a Latvian Latvia, a Latvia for Latvians."

The film then shows people mopping up after a blast outside the Central Committee building in February this

year. Antsiferov interviews a Latvian farmer, who says it is right that the new land regulations put use first and ownership second. Stall-holders at a meat market describe what they understand by the words "country" and "freedom."

There is then film of the Riga OMON [Special Purpose Militia Detachment], outlawed by the republican authorities and said to be 120-strong and to answer to the Internal Troops command of the USSR Ministry of Internal Affairs. Interviews follow with off-duty OMON men, who criticize the anti-Russian policy of the Latvian authorities and express their worries for the safety of their wives and families; the interviews are interspersed with shots of an OMON unit breaking up an inter-front rally on 15 May 1990. The shooting incident at the Latvian Ministry of Internal Affairs on 20 January 1991 is recounted. A memorial to Andris Slapins, the cameraman who died, is shown. Aleksandr Nevzorov is then shown describing the incident on the night of 2-3 February 1991 when the OMON car in which he was traveling in the outskirts of Riga was attacked and reduced to a wreck. The film then shows Riga protests over food price rises on 10 January.

Antsiferov is then shown interviewing Ivars Godmanis, head of the Latvian Government. He asks: "Do you consider that the main destabilizing threat for the government has already passed and the worst is behind you, or do you still see a lot of critical pitfalls on your path?"

Godmanis replies: "No, I don't consider the chief threat to have receded. There are alerts all the time, every day. But we in the Latvian Government have a strict principle on this—we shall not renounce our economic policy, our economic measures, otherwise we shall simply lose the thread of our program. The fact that we did not have strikes over prices is, I think, mainly because we managed to improve supplies in the shops. Things may be expensive, but you can buy what you want even in the evening. The very pattern of consumption has changed. But that is not the main thing. The biggest pitfall, if there are pitfalls, is how we are to achieve proper relations with the center. We are prepared to proceed gradually along our road of sovereignty. That is my view. We shall determine our tax system, our budget, our reciprocal payments. Then we shall look at the amounts of payments. Then we shall take a look at our foreign policy independence. There are certain stages like this, through which we would like to prove in a perfectly normal way that the center stands to benefit, too. The third most important thing is the everyday aspect: Cultural standards have to be raised to eliminate nationalism and chauvinism from everyday life. Regrettably these things can be encountered. It is simply the result of a low level of culture, which can be encountered everywhere. In certain instances, it may involve quite a small proportion of the population, but it somehow multiplies."

Antsiferov is then shown interviewing two elderly Russian women who talk about their worries over being treated like immigrants. Andrey Shmelev, described as chairman of the Latvian strike committee representing the interests of the non-indigenous population, is then seen describing Latvia as a "national-fascist state." There is footage of a statue of Lenin being removed from a plinth in a Latvian town square on 27 November 1990, as townspeople look on and a group of women protest. The head of the Latvian Lutheran Church says in an interview that previously people backed the Communist Party not out of conviction, but for pragmatic reasons. A Soviet army lieutenant, filmed at home with his family, says Soviet troops are frequently subjected to abuse in the street and that his thoughts will ultimately be of protecting his family if the state fails to do so.

Over video of armored personnel carriers, aircraft, and radar during exercises, the narrator says: "The top military leadership regards the Baltic military okrug as a most important defensive line. Command and staff troop exercises are regularly held on the territory of the Baltic military okrug. The last command and staff exercise was in February 1991. The okrug's operational and strategic tasks are coordinated at the General Staff of the USSR Armed Forces. The chief of the latter is 52 year-old Army General Mikhail Moiseyev."

Moiseyev, shown with a stick in front of a map of the Baltic okrug says: "Troops of the Baltic military okrug, forces of the Baltic Fleet, air defense and anti-missile defense troops and air force formations and units are today deployed on the territory of Latvia, Lithuania, and Estonia. All this is integrated into the country's overall defense system. Imagine that this well-tuned structure, this well-tuned and well thought-out system no longer exists. If that happened, all the areas from the West to the edge of the Urals, one might say, practically the whole of the European part of the Soviet Union—Belorussia, Ukraine and Russia—would be without cover to a depth of up to 500 km. Strategic stability would be upset. It might be objected that there is no need for such a powerful air defense and anti-missile grouping today and that no one intends to attack us. These things are being said. My reply would be that yes, indeed, the danger of wide-scale military conflict between East and West is today minimal, but it is still too early today to say that our country faces no danger."

Moiseyev, now shown at his desk, continues: "Almost 300 years ago, in creating a unified and strong Russian state, Peter the Great was already concerned about the defense and prosperity of the fatherland, and he regarded the destinies of the Baltic peoples and the Russian people as inextricably linked. And today they are interwoven in a tight knot that cannot be untied even theoretically, and that is without mentioning or referring to the military aspect."

The narrator then says that the Latvian inter-front was set up in January 1991. Antsiferov is shown interviewing its leader, 55 year-old chemical engineer Anatoliy Alekseyev. Antsiferov asks: "Whose side are you on, who are

you against, and why does your movement arouse such extreme views in the republic?"

Alekseyev replies: "The reason is that our movement was the first to stand in the way of the local nationalists. And at that time we were quite alone. We are opposed by the Latvian People's Front. We were opposed by the leadership of the Latvian Communist Party. We were opposed by the Supreme Soviet and Council of Ministers. In spite of that, we organized ourselves, and according to People's Front figures, in 1989 we had 640,000 supporters. The fact that we were able to stand in the path of a powerful and already-organized movement arouses the hatred of our opponents and the sympathy of our supporters."

Antsiferov then asks: "You are a deputy of the Latvian Supreme Soviet. You are in the parliament, you take part in its proceedings. What is your view of the actions of the republic's highest legislative body with respect to the non-indigenous population?"

Alekseyev replies: "You know, my view is that the present parliament is pathologically and adversely disposed to the Russian population."

The film then shows a crowd being addressed about the Soviet "Army of occupation" and the need for a "bourgeois democratic Latvia." The narrator says: "'Latvia for the Latvians'—that is the program of the organization, Congress of Citizens, set up in 1989. The leader of the congress is 30-year-old journalist (Eiger Iljens)." Antsiferov is then shown interviewing (Iljens). He asks: "Behind you is a map of Europe. The processes currently taking place in this region are being described as drawing a line under the Second World War. For the organization you represent and lead, the Second World War is not over yet. Have I understood things correctly?"

(Iljens) replies: "Quite so. We believe that the three Baltic states, and the need to restore their independence, are the last unresolved consequences of the Second World War."

Antsiferov asks further: "In my understanding, Latvian citizens, according to you, are persons who lived in the republic prior to 1940 and their direct descendants. If independence is ever proclaimed, what is to happen with the rest? Will they not get citizenship? What are they to do then?"

(Iljens) responds: "When real independence and legitimate state authority are restored and a Sejm is elected under the Constitution of the Republic of Latvia, the Sejm will be able to adopt new laws on citizenship, and it will be up to the Sejm to decide what people should be given citizenship and how many."

Antsiferov then asks; "So, as far as I understand it, until the Sejm is elected no one here is guaranteed citizenship of the Republic of Latvia except people who lived here before 1940 or their direct descendants. Is that right?" "Yes" is the reply.

The film then shows an interview with Sergey Dimanis, minority leader in the Latvian parliament, who says that what has happened in Latvia has not been perestroyka but "national populism." The main danger derives from "national radical forces," not from any possible military coup, Dimanis says. Member of the former Presidential Council Albert Kauls says in an interview that the center has failed to keep up with changes in the republics, and the republics have not always taken account of their real situation.

The film ends with interviews with tearful people at the Freedom Monument in Riga explaining what freedom means to them.

Lithuania

Landsbergis Asks Gorbachev To Remove OMON

LD1507101291 Vilnius Radio Vilnius Network in Lithuanian 1000 GMT 15 Jul 91

[Text] Supreme Council Chairman Vytautas Landsbergis sent a telegram this morning addressed to Mikhail Gorbachev, the president of the Soviet Union. It is noted there that some information is available indicating that preparations are under way for the use of the Vilnius OMON [Special Purpose Militia Detachment] unit as a (?means) of provocation, following which, an attempt could be made to justify new Soviet Army actions in Lithuania.

In this telegram, President Gorbachev is requested to issue an order to remove the OMON from the territory of Lithuania.

Landsbergis Holds News Conference 12 Jul

LD1207164691

[Editorial Report] Vilnius Radio Vilnius Network in Lithuanian at 0915 GMT on 12 July carries a 30-minute recorded news conference by Lithuanian Supreme Council Chairman Vytautas Landsbergis with press representative Audrius Azubalis held at the Supreme Council building in Vilnius on 12 July.

Landsbergis begins by describing his movements and meetings in Strasbourg, without offering any comments. Then the assembled journalists ask Landsbergis various questions. Asked whether provocations in Lithuania could be linked with Gorbachev's coming visit to London, Landsbergis says:

"I do not think that provocations should be linked with one or another trip by Gorbachev. They are a part of the general instructions and if they are intensified we must be ready to expect less pleasant and more dangerous steps."

He continues: "The provocations have several aims, for example to provoke some action in response. The destruction of our monuments could provoke some retaliation. It is strange that on the square where the

Lenin monument is being guarded and looked after, the guards did not see the destruction of another monument." He adds: "We cannot imagine that this is being done without the knowledge of the KGB or the Ministry of Internal Affairs in Moscow. These institutions feed and maintain the terrorists. It would be very easy for them to stop the maintenance or withdraw them from Lithuania. We are demanding this and will continue to demand it."

Having commented on the latest government statement on possible provocations against the Special Purpose Militia Detachment, Landsbergis describes the part played by the European parliament in recommending various solutions and, speaking of the results of the visit by Vagnorius to Moscow, he says:

"This visit seems to be more constructive and yielding positive results. Our officials are satisfied. This is a sphere concerning our negotiations, the prospect of the negotiations by the state delegations which is being prepared by the meetings of experts. We know that the meetings of experts on military matters and border questions have been virtually fruitless, but the meetings of the group of economic experts yielded better results for the first time." Landsbergis continues: "I asked about the remarks made by Silayev about the prices policy. This has not damaged our relations, they are well aware of the fact that we have to do something and we are doing it. Russia also has its own prices policy without necessarily asking anyone. This was a rather formal remark and attempts were made to present it as some kind of disagreement between Lithuania and Russia. But there is no such disagreement."

Replying to a question about the destruction of monuments, Landsbergis describes this as acts of terrorism and attempts to provoke retaliatory actions. He explains the familiar stand that Lithuania cannot accept Western aid if it is offered through the Soviet Union. Finally, Landsbergis says that Lithuania will have its own representative to present Lithuania's interests at the European parliament.

TASS Cites Landsbergis on Explosion 11-12 Jul

LD1207233391 Moscow TASS International Service in Russian 1910 GMT 12 Jul 91

[By TASS correspondent Serafim Bykhun]

[Text] Vilnius, 12 Jul (TASS)—Vytautas Landsbergis, chairman of Lithuania's Supreme Soviet, made a statement today in which he attempts to lay responsibility for last night's explosion in Vilnius upon the USSR Cabinet of Ministers. As reported earlier, near the V.I. Lenin monument on Lukiskes Square unknown people blew up a wooden cross that was erected on 22 June this year by representatives of extremist right-wing organizations as a mark of protest against the "occupation" of Lithuania by the Soviet Union and in connection with the 50th anniversary of an anti-Soviet mutiny in Lithuania.

Without possessing any specific proof in this regard Landsbergis meanwhile claimed: "This is the start of fresh provocations against Lithuania which are part of carrying out general directions. We cannot agree that everything is being done without the knowledge of the USSR KGB and MVD [Ministry of Internal Affairs]."

The same day the information agency of the Communist Party of Lithuania Central Committee issued a statement mentioning not only the blowing up of the cross but also a raid on a house in Konarski Street, where unknown persons tore down the republican flag, destroyed posters, wrote "Glory to the CPSU!" and hung the USSR state flag in place of the flag that had been torn down.

"The Lithuanian Communist Party has nothing to do with the aforementioned deeds," the statement says. "All the aforementioned events are links in a single big political provocation directed at complicating the sociopolitical situation in the republic on the eve of the celebrations of 13 July of the 47th anniversary of the liberation of Vilnius from the German fascist invaders and the visit of USSR President Mikhail Gorbachev to London and at discrediting the Lithuanian Communist Party in the eyes of the world public."

Making use of the aforementioned events, the Lithuanian Government and its mass information media have launched propaganda accusing the Soviet Army and subunits of the USSR MVD troops of this. The statement notes that anti-Russian, anti-army, and anti-communist slogans are being uttered on Lithuanian Government radio and television.

Landsbergis Meets Polish Parliamentarians

LD1407165791 Vilnius Radio Vilnius Network in Lithuanian 1300 GMT 14 Jul 91

[Text] Supreme Council Chairman Vytautas Landsbergis today received a Polish parliamentary delegation which is currently in Vilnius. It includes Deputy Sejm Speaker Olga Krzyzanowska, Senator Zbigniev Rokicki, and Deputy Jerzy Zdrada.

The Polish parliamentarians expressed their thanks to Vytautas Landsbergis for his participation in [words indistinct] in connection with the [Word indistinct] observance of the Constitution jubilee.

The Lithuanian parliament chairman expressed his interest in the political situation in Poland and prospects for its development.

The Polish parliamentarians touched upon problems of the Poles residing in Lithuania. The discussion also included the opening of new border crossing points between Lithuania and Poland. Vytautas Landsbergis noted that Lithuania is taking some steps in that direction, [passage indistinct] he also expressed an interest in what was being done with respect to this by the Polish side.

Representatives Attend Moscow Economy Discussions

LD1207092191 Vilnius Radio Vilnius International Service in Lithuanian 0100 GMT 11 Jul 91

[Report by Roma Pakeniene]

[Text] After an interval of several weeks, Lithuania's representatives have once again taken part in the Soviet Union's economic discussions as observers. Last week such discussions took place in the Kremlin with the participation of President Gorbachev, Prime Minister Pavlov, and other Moscow officials.

They discussed the results of the Soviet Union's economic and social development in the first half of the year and looked for ways to stop the deepening economic crisis.

According to Lithuanian Deputy Economic Minister Vytas Navickas, who watched these discussions, the economic situation in the Soviet Union is very sad. Prime Minister Pavlov cited such figures: In the first half of the year, national income in the Soviet Union as compared with last year decreased by 11 percent. One of the most significant consequences of this process is a totally insecure financial economy. At the end of the year the Union's budget will have a deficit of at least 240 billion rubles, which constitutes 36 percent of all national income.

This is a catastrophic figure, stated the vice minister of economy, leading to complete financial ruin and threatening an explosion of inflation. Apart from that, a critical situation in the supply of foodstuffs is emerging in the Soviet Union. As is known, this year's yields in the Soviet Union will be much lower than last year, and Moscow will be compelled to purchase nearly twice as much grain. This will consume all currency income obtained for oil. This is also complex because there is simply not so much spare grain in the world.

Meanwhile measures which the Soviet Union will use in order to overcome this crisis, in the opinion of the Lithuanian vice minister of economy, are insufficient or even unsuitable. For instance, they are devoted to the introduction of order in the monetary economy by issuing securities and disseminating them almost by force, or by not controlling the prices of some goods in order to collect ever larger sums of free money.

In this respect there are many dangers to Lithuania, especially in finance. Vytas Navickas mentioned that in this case all our social and economic programs may be thwarted. Apart from that, according to him, there is a real danger regarding the supply of fodder grain. Lithuanians used to purchase 1 million tonnes of fodder grain from the Soviet Union each year, and the latter used to purchase it abroad. If the Soviet Union is unable to purchase this grain, Lithuania's agriculture could remain without substantial quantities of fodder. More such dangers exist, stated the vice minister of economy, therefore we must seek the ways to avoid them.

During the discussions in Moscow some high-ranking Soviet officials attempted once again to intimidate the Baltic states with economic and political sanctions. However, the government leaders of the Soviet Union, Russia, and some other large republics criticized such steps and did not support them. Soviet Deputy Premier Vitaliy Doguzhiyev leveled severe criticism at the well-known 12 points of the special regime contained in Pavlov's anticrisis program, which, allegedly, should be applied to the republics which do not sign this program. As is known, there are six such republics. These points were rejected as unfounded and not useful to both sides.

The Soviet Union's deputy premier has instructed the government apparatus to prepare, by the end of this month, a serious, calculated, and coordinated order of trade and cooperation with the non-signatory republics. Vytas Navickas noted that so far the Soviet Government has no real conception, and probably does not even imagine what this order shoud look like.

Here the initiative of the Lithuanian Government displayed last June, proposing that the Soviet Government prepare and sign a joint agreement on economic cooperation next year, is especially important. Vytas Navickas took to Moscow such a draft agreement prepared by the Lithuanian Government which he handed personally to President Gorbachev, Prime Minister Pavlov, and Deputy Prime Minister Doguzhiyev.

Asked by the Lithuanian representatives whether he would encourage the examination of this document, President Gorbachev replied that he would personally read the draft, instruct Prime Minister Pavlov to examine it, and prepare a reply to the Lithuanian Government.

The Lithuanian vice minister of economy is convinced that this matter should start moving although, according to him, Moscow's officials regard everything in their old way. It will not be easy for us to achieve movement, stated Vytas Navickas. However, unless there are political agreements by both sides, the most real way for Lithuania is to strive for mutually beneficial economic and trade agreements, and not only with the center but also with each republic seperately, both with those which join the new economic union and with those which do not join it.

On the other hand, those republics which will form the new union are so far unaware of their real competence, and this makes negotiations with them more difficult. Only when all nine republics finally sign Pavlov's anticrisis program will it be possible to conduct specific talks. In the opinion of Vytas Navickas, the preparation of economic agreements will start in August-September with all republics, both those belonging to the new union and those not.

This work will start soon with Russia. The Lithuanian vice minister of economy agreed this last week with the head of the Russian Government. I will remind you that Russia is the main partner of our economy. The volume

of trade with it each year amounts to about 8 billion rubles, and to 12 billion with all of the Soviet Union.

However, the situation for Lithuania will not be very favorable until there is firm agreement with the Soviet Union itself. Today a group of experts of the Lithuanian negotiating delegation headed by Economy Minister Albertas Simenas left for Moscow. Tomorrow they will meet with a similar group of Soviet experts and will discuss mutual economic and trade relations for next year. The main object of the negotiations, according to Vytas Navickas, will be a draft agreement of economic cooperation with the Soviet Union.

Radio, TV Workers Issue Appeal

LD1307164791 Vilnius Radio Vilnius Network in Russian 1200 GMT 13 Jul 91

[Text] I would like to acquaint our listeners with an appeal by radio and television workers of the Lithuanian Republic which was published today. It is addressed to people of good will of Moscow and Russia. It says:

The wound inflicted on the Lithuanian people on 13 January will not heal. As before, the buildings of the Lithuanian radio and television, the television tower and the press buildings are still being occupied by Soviet troops. More than 2,500 people have lost their jobs. The hunger strike has been continuing for the fifth month now at the seized radio and television buildings. All the radio and television workers who were driven out by the military are protesting the unlawful actions of the Soviet Armed Forces. We hope that justice triumphs and that our buildings are returned to us.

The Government of the Republic of Lithuania and the leaderhsip of radio and television have appealed to USSR president Gorbachev, the Supreme Soviet and other USSR high institutions, hoping that the military will leave the unlawfully seized buildings, but nobody wishes to hear us.

We appeal to you, people of good will in Moscow and Russia, help us reclaim our buildings that are occupied by the USSR troops and return to our work places. Remind your acquaintances, public figures, journalists, writers, military men, and people's deputies that wounded justice is bleeding in independent Lithuania.

[Signed] Radio and television workers of the Lithuanian Republic.

Coalition Council Criticizes Ministerial Posts

OW1507072391 Moscow BALTFAX in English 1500 GMT 13 Jul 91

[Transmitted via KYODO]

[Text] The Coalition Council of the Forum for the Future Lithuania which unites parties and movements opposing to both parliamentary majority and communists, has issued a statement criticizing a proposal by Lithuanian Prime Minister Gedeminas Vagnorius to institute two new posts of ministers without portfolio in the Government. The Coalition Council believes these posts "will have no real destination."

One of the posts was offered to Vice Chairman of the Democratic Party of Labor and member of the Forum's Coalition Council Gedeminas Kirkilas. Mr. Kirkilas told reporters that he had accepted the offer. However, the Forum which includes his party, has expressed disagreement.

Mr. Vagnorius put forward the candidacy of Rimantas Smetona, chairman of the Tautininks' (nationalists) Radical Union for the other ministerial post.

Currently, there is one minister without portfolio in the Lithuanian Government—Aleksandras Abishala.

12 Jul Congress of People's Deputies Proceedings

LD1207213691

[Editorial Report] Moscow Russian Television Network in Russian at 1840 GMT on 12 July, in the "On the Work of the RSFSR Congress of People's Deputies" program, carries recorded proceedings of the Russian Soviet Federated Socialist Republic (RSFSR) Congress of People's Deputies at the Kremlin in Moscow on 12 July.

At 1840 GMT Svetlana Po Goryacheva, RSFSR Supreme Soviet deputy chairman who is chairing the session, gives the floor to Deputy Chebotarevskiy, who is from the Tellers Commission. Chebotarevskiy talks about the procedure for the secret vote for the Supreme Soviet chairman. Goryacheva says that voting will take place in an interval from 1000 to 1100.

After the interval, discussion moves to the issue of a constitutional court. Zolotukhin, chairman of a subcommittee of the Legislation Committee, comes to the podium. He says that one of the most important aspects of people's power is a constitutional court. Many amendments have been received on the law. All of them were examined by the Legislation Committee. On 27 June the Supreme Soviet discussed and voted on these amendments. The authors were given the opportunity to describe why they had proposed the amendments. A brief description of some of the amendments is given. Of the proposed amendments, 34 have been incorporated in the law. Zolotukhin talks about the pitfalls that have to be avoided in founding a constitutional court. The course must be independent of the executive authorities, which world experience shows. Therefore, the composition of the court cannot be allowed to be changed by the executive authorities. There have been various proposals regarding the number of judges to make up the constitutional court. The U.S. court has nine, the French court has nine, the Italian court has 15. Fifteen should be enough for the Russian court.

Zolotukhin says the RSFSR Supreme Soviet heatedly discussed the possibility of individual citizens' appeals to the constitutional court. By a small number of votes, the Supreme Soviet rejected this possibility, but the following day voted to allow it to be specially examined. It is obvious that the court cannot allow the smallest deviation from the Constitution. Executive bodies must follow laws strictly, otherwise the Constitution is just a piece of paper. In our history the independence of the court has been trampled underfoot. Our experience shows the need for a strong, independent court. A citizen can appeal to the court only after having exhausted all levels of the law, right up the procurator general. This is correct. This article of the law, concerning the right of the individual to appeal, should be retained.

Goryacheva says that the issue of an individual's right to appeal must be examined. She asks for a vote on whether this is to be included; 561 vote for, and it is adopted. A vote on the law in principle follows. It is approved.

At 1905 GMT Deputy Chebotarevskiy announces the votes for the candidates for RSFSR Supreme Soviet chairman. No one wins outright, so a second round is necessary, with Sergey Baburin and Ruslan Khasbulatov as candidates. Deputies vote to approve a protocol from the Tellers Commission enabling them to prepare a second round of voting. Goryacheva discusses the procedure for this voting. The deputies approve Khasbulatov and Baburin as the two candidates.

At 1908 GMT RSFSR Finance Minister Igor Nikolayevich Lazarev comes to the podium to talk about Russian finances and the budget. The situation in many areas of the economy is worsening, including production volumes, the consumer market, and more. Expenses for enterprises have increased, while revenues have decreased. Losses in production have not yet decreased. The budgets of the republics and autononmies inside the RSFSR on the whole do not have a deficit. The situation is likely to worsen in the second half of this year. The budget is therefore likely to be in deficit to a degree which is not bad in world terms but is intolerable for us viewing the situation we are in. The government has worked out an emergency budget for the second half of the year, which is now being developed in commissions. The planned budget does not envisage a balanced budget being reached by increasing retail prices. Expenditure must be limited. State loans and credits will cover the budget deficit. People's savings must be brought in to help the economy in a mutually advantageous way. An agreement has been reached between the republic and the Union to meet monthly and discuss the budget situation.

At 1924 GMT questions from the floor are asked of RSFSR Finance Minister Lazarev. A female deputy from Leningrad asks about hard currency and gold. Lazarev says that they must be under both Union and republican control.

Goryacheva then asks for a vote on approving Lazarev's report. It is approved.

At 1927 GMT RSFSR Agriculture Minister Gennadiy Vasilyevich Kulik comes to the podium to talk about the grain situation in the republic. The increase in the retail price of bread grain has caused a slight drop in demand. Unfortunately, the drought in parts of the republic has reduced the potential harvest drastically. Some crops have already been harvested, and they show a decrease from last year. This means that the harvest in these areas will be down from last year. In Siberia the situation is complicated as well. That area has also been hit by the drought. The harvest plan in Siberia will not be fulfilled this year. As a result, the government has decided that the harvest must be collected with great energy. No losses on the scale of previous years will be tolerated. The army is lending equipment to help with the harvest. Oil, diesel, and gasoline are being supplied to farms to the detriment of other consumers. A whole complex of measures is being proposed to help improve the situation. A Russian grain market will be formed. This market will have to be

defended, so exports of grain from the republic will have to be licensed. The president and government have called for the preparation of specific proposals to provide the population with food this year and next.

At 1939 GMT questions from the floor are asked of Kulik. Deputy Karpov asks about the need to purchase grain abroad and how much this will cost. Kulik says it is too early to say how much grain will be purchased abroad, but it will not be less than last year. The structure for importing grain must be changed to suit the needs of Russia. More fodder must be bought.

A deputy then asks why machinery is not transferred from one place to another in accordance with weather conditions. Shouldn't we depend more on our internal resources rather than seek help from the West? Kulik agrees with the latter point. Much grain is lost unnecessarily each year. He also agrees with the first point on machinery. A meeting will be held tomorrow to discuss this issue. Equipment will be moved to where it is needed as the need arises.

Deputy (Gosporyan) asks about democraticization in agriculture. He complains about food being sold by large combines abroad when there is not enough food in Russia. Kulik says that the form of management in a combine is chosen by the people who work in it.

Deputy (Tumov) asks why farmers in certain areas are paid more than in other areas. He also asks about the reasons behind certain payments. Kulik says that all this has been explained.

Deputy (Zasukhin) asks who will assign machines and transport from one area to another. Another deputy asks about further price increases. Kulik says that the government has rejected increases in the price of grain despite pressures to the contrary. The government does not want to increase these prices or the prices for husbandry grain needs.

Deputy Solovyev asks about the sugar situation, which he says is worse than the grain situation. The Ukraine has not sent any grain. Kulik says that the Russian sugar industry has fulfilled its plan, but promised supplies from other republics have not materialized despite agreements having been reached. Sugar has been bought from Yugoslavia and other parts of Europe. The president has said that any measures may be taken to increase the amount of sugar available.

Deputy Chebotarevskiy returns to the podium to announce the results of the second round of voting for RSFSR Supreme Soviet chairman. The voting figures are Baburin, 484; Khasbulatov, 387. Neither candidate is elected. The deputies approve this report.

At 1958 GMT, the program breaks for the "Vesti" newscast.

At 2015 GMT Chairman Goryacheva says many suggestions have been made about further proceedings at the RSFSR congress, in light of the fact that a chairman of the RSFSR Supreme Soviet has not yet been elected. Deputy Novikov, representing the coordinators of parliamentary groups, is called to speak. He proposes that a technical recess be called in the work of the congress. He notes other suggestions that have been made, ruling them out for constitutional reasons.

Remarks follow from the floor. A Moscow deputy explains why he suggested that the procedure be postponed to the autumn, with Khasbulatov chairing the Supreme Soviet in an acting capacity in the meantime. A Penza Oblast deputy backs the previous suggestion. A third deputy does likewise. A fourth does similarly.

Deputy Plotnikov from Kostroma Oblast is against the idea of an acting chairman and calls for another round of voting. Deputy Slobodkin calls for the matter to be resolved for the benefit of the republic, without regard to personal ambition. Deputy Novikov sums up from the rostrum. He proposes that the parliamentary groups meet again today, with a view to another vote on 13 July. Another deputy then speaks from the rostrum, affirming that the republic is in the good hands of the president and that the chairmanship issue can safely be left until autumn.

Goryacheva asks Khasbulatov, who is seated next to her, for his view. Khasbulatov backs the idea of a break until 13 July. A vote is taken on whether the proposal for a break until 13 July should be further considered.

Deputy Shustov then speaks from the rostrum, advocating that matters be handled calmly, not rushed. Goryacheva calls for a vote on the suggestion of a recess until 13 July. It passes by 585 to 287 votes. Goryacheva declares a recess until 1000 [0700 GMT] on 13 July.

At 2035 GMT the program switches to recorded coverage of the RSFSR Supreme Soviet, which met in a joint session on the evening of 12 July to consider the candidacy of Ivan Stepanovich Silayev as chairman of the Council of Ministers. A brief clip is shown of Khasbulatov opening the discussion, then a short except is shown of Silayev's remarks after his confirmation.

A voice-over says the meeting later turned its attention to the proposal from the Leningrad soviet to restore the name of St Petersburg. Three excerpts of deputies speeches are shown. A voice-over says the matter was not correctly tabled, and that further attempts to have it put on the agenda failed.

Finance Minister Addresses Deputies

LD1307181491 Moscow Russian Television Network in Russian 1908 GMT 12 Jul 91

[Speech by RSFSR Finance minister Igor Nikolayevich Lazarev at the Fifth Russian Soviet Federated Socialist Republic (RSFSR) Congress of People's Deputies session in the Kremlin on 12 July chaired by Svetlana P. Goryacheva; from the "On the Work of the RSFSR Congress of People's Deputies" program—recorded]

[Text] Esteemed comrade people's deputies: Allow me to report in brief on the general condition of Russia's state finances, singling out in particular the problem of the budget as the central sphere of these finances. I also want to mention the reasons and factors that determine the present level of these finances, and the measures being taken in the republic in order to ensure a balance considering the growing financial tension.

The tense situation that has occurred in the national economy is undoubtably reflected in the negative state of finances, particularly the budget. The destruction of production and regional links, the fall in production volumes and effectiveness, and the worsening of the situation on the consumer market lead to instability in the financial and monetary system and an imbalance in the budget. The deterioration in the base indices, which began in 1990, has worsened somewhat this year both in production volume and the national revenue, which has fallen by 9 percent in the first six months, in relation to which the republic's financial base and financial possibilities are significantly narrowed. In addition to this, the proportion of the allocation of the national revenue has worsened somewhat for the budget because of the racing increase in the salary fund in comparison with other revenue sources.

The situation is not better with the reform of retail prices that was implemented. Moreover, its influence on finances and enterprises and the budget are ambiguous. The budget revenue from the increase in prices, the tempo of which is growing, does not cover the expenditure produced from this increase for the compensation of the population's expenses outside the production sphere. At the same time, enterprise revenue has considerably grown, for example over the first six months' profit by 1.7 times. The share remaining with the enterprises has almost doubled, although the budget revenues have risen only by 20 percent.

The situation in the budget and finances is being aggravated by the liberalization of wholesale prices, as was decided by Union bodies by other Union republics, and by Russian republican bodies. During the first six months of this year, decisions were made on granting a seris of major tax benefits, which also narrowed the budget's basis. Although these benefits were aimed at reallocating financial resources for the technical re-equipment of factories, returns are possible only in subsequent years. Presently, the volume of revenues and receipts is sharply reduced.

Thus, the reduction in the tax rates and the additional benefits granted under the tax on profits and from turnover, which were carried out in the course of the reform of retail and wholesale prices, redistributed financial resources from the budget to the benefit of enterprises. However, as account data show, these resources are not being used correctly. Profits on the whole have been received through the rise in prices, while the volume of production and capital construction has fallen. Therefore, the problem of examining the questions arises here. It should be noted that the differentiation in the incomes of enterprises on contractual, free, or fixed prices is being stepped up. Moreover, the last of these, fixed prices, is in an unfavorable position. The production losses have not been reduced and are considerable.

The main burden, as I have said, falls upon the budget. The shortfall in income sources, both on the tax on turnover and on unearned payments and on much income, accounts for a considerable sum and has a direct influence upon the lack of resources. Particular stress should be laid on the sales tax, which even though it was originally accounted for in the financial balances and the budget, the benefits that have been implemented as a result of the price reform reduced contributions to it by almost 2 billion rubles in the first six months and by 4 billion rubles for the year as a whole.

Considerable contributions are expected from unearned payments also as a consequence of financial assistance given to sectors of the oil and gas complex.

As a result of the situation that has evolved, in the first six months of the year the budget received 102.4 billion rubles income on the whole, which ensured the financing of all current expenditure, but it was insufficient. These resources were not enough to fully reimburse the so-called development budget even of capital investments, of the repayment of all debts to the bank. The paying off of these debts had to be put off until a later date.

Moreover, the main tension has evolved in the republican budget since the main losses in income and since all additional expenditure and benefits and the compensation for enterprises and the population in connection with the reform of prices were assumed in this budget. The deficit is evaluated at 19 billion rubles for six months.

At the same time, the majority of the budgets of the republics which are part of the RSFSR, and of krays, oblasts, and okrugs—as they were on 1 June—do not have a deficit. For this to come about the necessary measures were taken in the course of the first six months of this year by the government, the Supreme Soviet and its committees and commissions, and by the commission for budget, planning, and taxation.

Particular difficulties arose in the financing of additional expenditure for compensation payments to the population and institutions, which amounted to up to 13 billion rubles in the first six months.

The above expenditure should have been covered by income from the increase in retail prices. However, that did not happen, although retail prices are increasing by more than was forecast. However, as a result of changes in the structure of income sources that are unfavorable for the budget, and in the drop in production, the necessary receipts for the compensations that were adopted are not being secured. Nevertheless, as I have

said, all of these compensations have been paid out as current expenditure from the current budget.

Making a projection on the basis of the present situation and of the decisions that have been made, in the second half of the current year, the [word indistinct] shows that the situation is not going to improve, but will get worse. The decline in production for the year is estimated at more than 8 percent and the national income at 10 percent, which means a general loss of financial resources, including a loss for the budget. We estimate that the budget deficit will increase by 50 to 55 billion rubles. In other words, for the year, it will be up to 60 to 70 billion rubles including 20 billion from the labor income and from supplementary compensation payments of agro-industrial complexes and consumer complexes to the population and in the non-production sphere in the sum of 50 billion rubles. In this situation the annual budget deficit will reach 8.3 percent of the gross national product. In international practice this is a large but still tolerable budget deficit; but under our conditions it is a figure that must not be exceeded. Moreover, the main burden of this deficit will be borne by the republican deficit, because the main payments and the main losses will be [word indistinct] at republican level, affecting that deficit. [Word indistinct] deficit will increase to 30 percent of total expenditure.

Thus, the budget situation is serious and requires emergency measures. It is not fortuitous that the previous, the fourth, USSR Congress of People's Deputies raised the question of drawing up an emergency budget for the second half year. A version of that budget has been drawn up by the government and is now being examined in the commissions and committees of the Supreme Soviet, especially the commission on budget, planning and taxes. The version in question is based upon the USSR law that has been passed on the principles of the formation of the budget for 1991 and the government program to stabilize the socio-economic situation in the republic, supported by the fourth Congress of People's Deputies. This version takes into account the recently published program of joint action of the USSR and the republics [word indistinct] for bringing the economy out of its crisis. This is very important today since it will ensure the coordinated implementation of measures and actions. The version under consideration does not provide for balancing the budget at the cost of a further rise in retail prices, which would lower the standard of living of the population. As the results of the first half-year show, this does not produce the needed increase in budget income. There is no intention of increasing the taxation of the population or of the profits of enterprises, which would go against the government program and would not create the necessary labor incentives. Nor will there be, as in previous years, any arithmetical division of the total budget deficit between Russia's republican budget and the budgets of the republics, krays, oblasts, and okrugs, though it will be necessary to deal separately with the uncompleted mutual accounts between these budgets. This work is being done at the present time, jointly with the republics within the RSFSR, the krays, oblasts, and okrugs.

The budget draft which we are examining envisages that the adopted measures will be implemented stage-by-stage, quarter-by-quarter, bearing in mind the need to update forecasts as the price reform proceeds, and that the budget will be divided into main, additional, and extraordinary sections. Such a thing is done elsewhere in the world. These sections will be financed out of reserved, target-oriented sources.

Certain priority items on the expenditure side will be protected and financed in full and without fail. Our calculations and forecasts indicate that revenue is sufficient to cover these items. They include wages for employees and the running costs of social service establishments, spending on the agricultural industry, and a number of other things. The remaining expenditure mostly comes under the development budget, which must be executed in strict conformity with incoming revenue. In this area all expenditure, including expenditure on investment programs that have already been adopted, must be embarked on in a judicious and restrained way. It goes without saying that no new program should be adopted unless real sources of finance are available.

It is very important to cover the budget deficit, as is normal in a market economy. This will be accomplished by means of public borrowing. That is to say, there will be credit in the form of freely circulating bonds, treasury bonds, and other securities floated on a voluntary basis among enterprises and the public; in other words, attracting their temporarily uncommitted funds on the basis of reciprocation. This will make it possible to prevent a fresh surge in the money supply and a deterioration in the sphere of money circulation. An agreement has been concluded with the Russian central bank on these issues. A plan for joint actions and measures has been worked out.

It is also proposed to take a critical look at the effectiveness of certain tax allowances that were adopted earlier on; to increase checks on the efficient use of budget funds; to take steps to draw untapped production resources, frozen projects, and installations into the economy; and to expand the power of local authorities.

The measures I have listed will be difficult to implement but they are essential if the situation is to be stabilized this year and, on this basis, improved next year. The measures this requires are envisaged in the government's own program and its program of joint actions with the USSR Cabinet of Ministers. They have been provisionally worked through with the commission on budget and plan of the RSFSR Supreme Soviet.

I want to say a few words about the relationship with the Union budget. These relations are based on the declaration of Russian sovereignty and the resolution of the first USSR Congress of People's Deputies on demarcation of

the functions of government in accordance with the laws of the USSR and correspond to the agreement for 1991 which has been adopted between the SSR and the republics. Mutual relations are implemented according to a fixed sum [words indistinct] the Union budget, of 23.4 billion rubles for the carrying out of functions of government delegated by the USSR, taking into account that in 1991, as in the transitional year, it has not yet been possible to produce a precise quantitative count of delegated functions [word indistinct] the sum indicated. In order to agree this with the Union [word indistinct] the account has been determined as fixed by Union legislation at 22 percent profit next year, according to the published plan of action for 1991. This sum remains fixed and will be calculated according to a special estimate examined jointly with the Union and the republic. It should be said that despite the republic's bad financial situation and the strain on its budget deficit, the fixed sum is being transferred without interruption, without delay, and in full. Half of the amount for the first six months, [word indistinct] and 3.4 billion has been transferred. In addition, under an agreement that has been reached, it has been determined that the Union budget receives income from external economic activity inasmuch as no division has yet been made either of the USSR's external national debt or of the expenditure on external economic activity. A fixed proportion is paid into the Union budget, an agreed amount, from sales tax and also from deductions under the stabilization fund. Here joint mechanisms have been developed for the transfer of resources. Part of the resources is transferred centrally by the republics. Here there are no delays. Part of the resources is transferred directly by the enterprises. In view of the fact that today we have a bad situation both in the republic's budget and in the budget of the Union, an agreement has been adopted between the republican and Union bodies to examine monthly the problems of implementation both of the Union and of the republican budget. That work is now being done and measures are being determined to solve all the problems arising.

Silayev Reappointed Prime Minister 13 Jul

LD1307084291 Moscow TASS in English 0829 GMT 13 Jul 91

[Text] Moscow July 13 TASS—Russia's supreme legislature re-appointed Ivan Silayev as the prime minister of the largest Soviet Republic in a 827-69 vote with 33 abstentions today.

Silayev and his government resigned on July 11 following Boris Yeltsin's inauguration as Russian president.

On Friday, the Russian Parliament endorsed Silayev's candidature after he was re-nominated by Yeltsin.

Silayev, 61, has led the Russian Government from June 1990. Before than he served as deputy Soviet prime minister for five years. He is a member of the Soviet Communist Party.

Speaking at the Congress of Russian People's Deputies today, Silayev vowed to cooperate with Russia's legislative bodies and the president.

Acceptance Speech

LD1307225191 Moscow Russian Television Network in Russian 1840 GMT 13 Jul 91

[Acceptance speech by Russian Soviet Federated Socialist Republic Prime Minister Ivan Silayev at 13 July RSFSR Congress of People's Deputies session in Moscow—recorded]

[Text] Esteemed comrade people's deputies! You are placing your trust in me for the second time. I thank you for this. It makes all the more responsible my work, and the work of the new membership of the government, in implementing the key decisions of the congresses, and I would like to note in particular the first Congress of People's Deputies, which determined the destiny and future of the Russian state.

I undertake religiously to adhere to the principles proclaimed in the declaration of the first Congress of People's Deputies, to cooperate closely with the legislative organs, headed by the president, and to serve our Russian fatherland. Thank you. [applause]

Stresses Enterprise Development

LD1407010191 Moscow Russian Television Network in Russian 1700 GMT 13 Jul 91

[From the "Vesti" newscast]

[Text] Ivan Silayev was accepting congratulations today—the Russian Congress confirmed him in the post of prime minister. In an interview with our correspondent, Aleksandr Shashkov, Ivan Silayev said:

[Begin recording] [Silayev] The fact that I have been reelected is not only an evaluation of my personal efforts, but also of the work of the previous members of the government. Nevertheless, of course, if we had more professionals it is possible that our work would be more harmonious. Where things were moving, even though the overall situation was difficult, where the handiwork of a serious statesman was in evidence, we won't be rejecting the services of this or that member of the government. But, nevertheless, it was a bit feeble in a number of areas, and we will be making new appointments; just as the economic program already approved—on whose implementation we have been working—also requires structural changes and the introduction of new avenues.

[Shashkov] What will the new committees do?

[Silayev] Well, we want primarily to concentrate the government's efforts on the first chapter of our program, the first section; that is, the creation of conditions for the development of enterprise and business, everything that is called "business," and consequently, for supporting,

for coordinating all of the services. We intend to have such a committee; that's the first thing. Second, linked to the fact that the right to foreign economic activity is passing to Russia, a very important issue is licensing. We'll set up a committee on issues concerning citizens of Russia outside the Russian Federation. And there will be a few other regroupings. The main aim is, first, to dovetail into the presidential structure, and of no less importance is to create conditions for the effective implementation of the economic program. [end recording]

Silayev Discusses Russian Government's Work

LD1307121191 Moscow Russian Television Network in Russian 0900 GMT 13 Jul 91

[Interview with Ivan Silayev, chairman of the Russian Soviet Federated Socialist Republic Council of Ministers Presidium, by correspondent Irina Lapina, date and place not given—live or recorded]

[Text] [Lapina] I had occasion to meet Ivan Stepanovich Silayev when he was minister, then deputy chairman of the USSR Council of Ministers. These were different times, but Ivan Stepanovich has always been out of the ordinary.

He is so far the head of the Government of Russia, and has headed it not just at a crucial but at a most difficult, and to put it directly, a unique period. Every meeting with Ivan Stepanovich is of particular interest for us.

On 11 July, the Government of Russia resigned. The period is such now that one can stop, think things over, and assess what has happened over that period of time. I would like to begin our talk with the main thing differentiating the Russian Government—that is the firm and decisive measures with regard to the market and market structures. The majority understand that, of course. But at hand now are the difficulties connected with this transition. In your view, what are the prospects for this?

[Silayev] Well, obviously, really, when the government resigned that does not mean that we ceased to function. Under the law we are continuing to work until a new government is brought in. Nevertheless, there are grounds for looking back at what has happened with our participation, at what has been done, and what remains unfilfilled, and naturally to look to the future—but it cannot be said as outsiders already but as people with a direct interest—so that what has been created already in the past is continued in a worthy manner.

[Lapina] Did the team you head receive the complete confidence of the people of Russia?

[Silayev] On the whole, we do not separate ourselves from the general process of the democratic transformations. Nevertheless, one should begin with Boris Nikolayevich Yeltsin who headed and who heads that whole movement, with the Supreme Soviet, the congress, and of executive power, naturally, too. We are proud that we were in a common team and did everything that we could. The government, I would say, coped with the tasks set, acting energetically and decisively.

The situation is different today. Today Russia is respected more than it was at the very beginning. The finale of that stage of events in Russia is the election of the president and his inauguration. Therefore, it is not surprising that the Russian Government categorically supports radical reforms. The finale of the work of the government—again, under the leadership of Boris Nikolayevich Yeltsin and together with the Supreme Soviet—is the program of joint actions of the cabinet of ministers and the governments of various republics which was published recently and approved by Gorbachev. I think that nobody would have supposed a year ago when the government began to function that such a document could appear.

This document reflects the basic sovereign principles and rights of the republics, and this was all obtained in a very tough and serious battle. I consider that the Council of Ministers has come out of this situation with honor, and I think that in the future this will be evaluated accordingly.

[Lapina] The independence of Russia, the independence and sovereignty of the republics—what do you think: Is it better to achieve something together or individually? Because, for example, the Baltic Republics consider that it is better for them to deal with their problems, including economic ones, independently.

[Silayev] You understand, I would not agree entirely with your supposition, for this morning here in this office I met with the chairman of the Lithuanian Council of Ministers. We talked about economic cooperation and mutually advantageous conditions, and we agreed to get down to such work.

You are absolutely right that while we fought alone, on the whole there were bruises and bumps, only troubles, shall we say. The title of troublemakers, people without goodwill rushing to fight the center, was prepared and given. Today the situation has changed. I think that the most important task within the framework of the program for the transfer to market relations, the main attention of the new government, must be concentrated on the development of direct interrepublican relations.

[Lapina] What is your attitude toward the Novo Ogarevo Nine plus One agreement?

[Silayev] My attitude toward this is positive. I can tell you that we, the leaders of executive power, were greatly helped at that stage from April onward by these agreements.

[Lapina] From your own viewpoint, how much more time is needed to complete the transfer to the market, and improve, at least slightly, the economic situation, and improve life?

[Silayev] Today, as always, we have a controversial situation here. On the one hand everyone agrees with the necessity of radical changes and resolute actions in transition to market relations. On the other hand, questions are constantly raised about how to harvest the grain and what the Supreme Soviet is going to do about this situation. Yes, and this was brought up again today. In human terms one could understand this, but from the viewpoint of a state approach this is only regrettable. One should not look back to yesterday, but toward tomorrow when making decisions about the problems such as grain and sugar. If we are forever going into battles, into salvaging the harvest from one year to another—and this has been going on for all of the 73 years—then we should not be embarking on these radical changes. Therefore, we see the way out only in the radical actions and more energetic progress toward the market. Generally any government that continues this work should act more energetically than before.

[Lapina] Ivan Stepanovich, as I now understand you are used to relying on your own resources. What is your position regarding help from the West, so widely debated these days?

[Silayev] I would like to change the words help from the West to interaction with the West, to integration of the USSR economy—and the Russian economy in particular—into the world economy. That terminology is not even suitable in its meaning.

[Lapina] But regrettably it is very widespread at the moment.

[Silayev] Yes, it is widespread, but we should clarify this matter. Yes, indeed, if our economy were not in such ruin as it is today we could unhurriedly and more or less systematically get out of this situation using our own resources. That is, coming up to the different level. Whereas today, when we are in a critical state, we have no time to count only on our own resources and very slowly move toward our goal. Therefore I am convinced that without energetic interaction with the West we shall not solve our main problems. It is not just that there is nothing wrong with this, it is logical. The whole world is so deeply integrated that our attempts to do everything ourselves in the best possible way and with a quality mark look to them as simply primitive in this respect. This is really so.

It is not possible to disregard the experience accumulated by the world community, all the more so against the background of the very major thaw and the shift away from the policy and state of cold war toward cooperation. It would be simply unforgivable not to turn to the West and propose cooperation with them. Those people are mistaken who today threaten and warn us that these are perfidious capitalists who will undoubtedly deceive us. Up to now at least we have deceived our Western partners more than they have deceived us. They have shown themselves to be highly responsible and they keep not only to what is written on paper, but they also keep their word. We have yet to learn to do this. Therefore, the government, which has resigned....

[Lapina, interrupting] But is still the government.

[Silayev] Yes, and it is still carrying out its duties in accordance with the Constitution—is an active supporter of integration, naturally combined in a sensible way with reliance on our own efforts.

What we have in mind is not simply to accept as much credit as possible, or other forms of the lending principle, but rather to attract Western capital into our economy on a mutually advantageous basis. We are counting on this. Our program has the corresponding section that envisages this. Moreover, a Russian law was recently adopted on foreign investments. It opens up the way for Western capital.

But we have not yet managed to resolve one very important operational question—to open up our internal Russian market to the flow of Western manufactured goods. All the same, it is a very acute problem. The shelves are empty. There is a shortage of foodstuffs, of everyday goods, of clothing, and footwear. Therefore, it is essential and obligatory for whoever works in the future in the executive authorities to open up our internal market in a very short time.

[Lapina] In fact there still exists that notorious Group A, the production of means of production. Group B consists of goods for the consumer market. The ratio in our country is still 75 percent to 25, while in the West it is quite the opposite. Therefore, there is no shortage of goods there. How, and using what methods, are we striving to turn this around?

[Silayev] Well, once again, if we have to rely on our own efforts it will take some 15 years. Just try to deform all of this vast system, which as far as Russia is concerned works at 76 percent—which is 1 percent higher—to work for Group A; it is not possible to turn this around in a short time to be oriented toward the individual. Consequently these processes will be lengthy. But it is necessary to tackle the problem to work for the individual.

In this respect, it would be wrong not to use the potential that has already been accumulated and not to use the colossal amount of production abroad for the market so that our citizens should feel as quickly as possible that having earned money and resources they can go and buy things for themselves. In this respect integration with the world economy is extremely advantageous for us.

Meanwhile, we will be able more calmly to turn relations around to what exists in the civilized world and to turn the 75 percent of industry to the benefit of society in the interests of the consumer market. That is at the operation level, I would say. But undoubtedly on the strategic level the participation of Western capital and Western entrepreneurs should be directed, of course, to the development of our sectors, to the allocation of new technology, to the most rapid mastering of the technology of

processing agricultural produce, and toward mastering means for the production of construction materials. This also goes into the social sphere, but only indirectly.

On the practical, immediate level, for the next two or three years, this means opening up the borders for imports. As soon as we feel that the Western partners are squeezing out our domestic industry we will introduce the appropriate customs restrictions and protect our producers.

On the strategic level there is the attraction of investments for basic industries; this is essential as we are lagging behind there, too. These include oil and gas extraction, timber processing, many other areas, and the application of Western technologies.

[Lapina] Ivan Stepanovich, the name of Grigoriy Yavlinskiy probably must be mentioned here. This is your former deputy. You characterized him as one of the active members of the government, as a man who has precisely defined civil and state positions, and should be respected. Of course, people can thank him for his ideas, but how does the new joint Harvard-Yavlinskiy program correspond to the position of the Russian Government?

[Silayev] Well, since we have already been talking about what has been done over a year, I again turn to a very active member of our government at the first stage of work, Grigoriy Vasilyevich Yavlinskiy. My evaluation of him has not changed as a talented scholar who maintains an exclusively state position. Life shows that again the name of Yavlinskiy has rung out, and this is by no means by chance. I have a positive attitude to his state positions, and to what he has been able to do.

[Lapina] And this program of agreements—chance?

[Silayev] Yes. I know that he began work on it, he consulted with me, and as far as I know with Boris Nikolayevich Yeltsin, and he received support for his work in that direction. This program which today is a subject for support in some quarters and of criticism in others—there is everything in our society, there's nothing suprising about this—today deserves to be regarded, in the first place, with respect. Second, it really does have meaning, in the first heading—chance. It is not a working plan. Some people who criticize it as not being a plan do so mistakenly. It really is not a plan, and the author does not say that it is a plan. It is, if you like, a proposal on how to organize work, in which directions to go, with what consistency, with what stresses, using the potential—if they want this—the potential of leading countries, including the Seven.

Briefly, I regard Yavlinskiy and his program with respect, and I consider that it deserves to be supported.

The question is often asked: Won't this program lead to a loss of sovereignty? Now, at every step and with complete justification, people look to see if there isn't any danger here for sovereignty. I think that the program must not be pooled simply for the Union; today it is in general impossible. Yes, the Western partners' program will be adressed directly to the Union, and simply to the Union, to the new Union. There will be an appropriate demarcation of spheres and scales for us. At least in this case it is very important whether the program of one republic or another is written into the principles laid out in Yavlinskiy's program or not.

I can say that the Russian program which has been approved and confirmed corresponds to the principles of Yavlinskiy's programme, which could be a working scheme for action based upon this program.

[Lapina] The transition to the market will be very difficult, and there are even those who believe that in place of stagnation we have not democracy but anarchy. There is confusion and there are corrupt elements. In connection with this, the following question arises: Did the confusion give rise to these corrupt elements, or was it corruption that stimulated and permeated this confusion that still exists?

[Silayev] It has been noted that in medicine they often say that it is better and more effective not to cure an illness, but rather to prevent it. The same thing applies in economics. Today we can, and of course need to, speak and carry out the fight against corruption and the mafia using all the means at our disposal. We can arrest, shoot, hang, or do whatever else we choose, but if we do not remove the cause, then this is a useless attempt. Now these radical changes are doing just that, they are removing the cause.

[Lapina] Ivan Stepanovich, are you not afraid that as a result of privatization, the tastiest morsels will fall to people who are morally unworthy, to the so-called nouveaux-riches?

[Silayev] In this case, I would cite the Russian proverb: "If you are scared of the wolves, don't go into the woods." Politics should not be based on the principle: and what if thieves suddenly appear? What if criminals suddenly appear? If they appear, then the law should have its say, a strict and harsh law.

[Lapina] What prospects are there for those who really want to set up in business?

[Silayev] You are right to touch upon this question. I must remind you that this is in the first section of our program—is the work needed to establish favorable conditions for entrepeneurship so that every citizen, every Russian, with an aptitude for entrepeneurship who wants to conduct his own business should have the chance to do just that, that this should be permitted, should be defended by the law, and should be profitable. Therefore, our programme envisages specific actions to establish the economic possibilities for every citizen of Russia to set up their own business. They are the abolition of progressive income taxes—and here I should say that we were planning to do this as of 1 January next

year, but the Cabinet of Ministers has already adopted the resolution and this will come into effect in the next six months.

Generally speaking, this gives us a certain satisfaction, although, as you can see, it turned out that they were more progressive. I would like to see this progress expressing itself more often in other ways as our society can only benefit from this. So, this gives our citizens the chance to earn as much as they can. Naturally, the principles and approaches—if you have earned 10,000 rubles then tell us; how did you get it; where did it come from; fill in a declaration—this level needs at least to be significantly raised.

[Lapina] So the time will come when our pay will at last be what we have earned?

[Silayev] Yes, that is absolutely correct. Pay—this as you know has a kind of meaning—well, it should be an income rather than just pay. If someone is capable of having an income, then let him have it. Anyone with talent, with a brain, or with creative hands and so on—for all of these we will set up the conditions in which they can earn as much as possible.

[Lapina] Ivan Stepanovich, you are the head of the executive authority. I am exaggerating a little, but you are the main economic planner in Russia. Now many are arguing about the correlation between political and economic interrelations and activities. You were the initiator of the speech, the appeal by the democratic movement, the Democratic Reform Movement. A lot of things about this movement are very attractive. This appeal is by people who are constructive, who have common sense, and who want to fight to make our economy healthier. In connection with this, what should the relationship be between politics and economics?

[Silayev] You see, now many love to examine any action in a lively but perhaps unusual way. This is politicking, ambition, it is aiming for power. It is time for us to put an end to this in our society. Now it is time to always see, even in an opponent, a respectable, honorable person who is aiming to do good, who is aiming to do what is right. If we start our approach from such positions then politics will in this case take a back seat. Economic problems are, after all, at the basis of everything. Ethnic and interethnic problems, problems on a social level, all emanate from this, from the crisis situation in the economy, and this applies down to politics, including strikes and meetings and so on. Therefore, we need to work carefully and look for compromise and cooperation in the normalization of the economy.

If we set political ambitions to one side, then we can all put forward our program—all of the parties—and what they want is to work for man, for social progress. If that is the case, then those who genuinely plan to do this should join forces.

That is why I quite deliberately agreed and entered this group of nine initiators, for I believe, regardless of where I may work, that a person who is convinced of the need for radical reforms, for democratic transformations should—not only at his place of work, whether he is chairman of the government or holds some other post—continue to apply in his personal life, in his political approaches, the same idea, the same ideology he supports in his basic work.

I, let us say, will be chairman of the new government. That is fully possible.

[Lapina] We very much hope for this.

[Silayev] This does not go against but, on the contrary, is part of my ideology as a participant in this movement. This is an association of all healthy forces, progressive forces for one purpose—to help our society get on its feet, to help Russia acquire a human existence for our citizens, and a life that is just and worthy of Russians. Therefore, everything—private life, personal views and work in one's post—should be subordinated today to this aim. Therefore, I consider that this movement deserves support and I will work to implement these tasks.

No Winner Yet in Supreme Soviet Chairman Voting

Third Round of Vote

LD1307132491

[Editorial Report] Moscow All-Union Radio Mayak Network in Russian at 1310 GMT on 13 July broadcasts a report by correspondent Aleksandr Ruvinskiy from the Russian Soviet Federated Socialist Republic (RSFSR) Congress of People's Deputies in the Kremlin, which states that the results of the third round of voting for the post of chairman of the RSFSR Supreme Soviet have just come up. Once again, neither of the two candidates has gotten the number of votes necessary to win the election. Khasbulatov got 405 votes, Baburin got 462 votes. A minimum of 531 votes is needed to win the election.

'Fierce Battle' Described

LD1307094391 Moscow All-Union Radio First Program Radio-1 Network in Russian 0900 GMT 13 Jul 91

[Excerpts] The extraordinary Congress of the Russian Soviet Federated Socialist Republic [RSFSR] People's Deputies is continuing its work today. Vladimir Perfilyev, our parliamentary correspondent, has promised to tell us what is happening at the Congress right now. Vladimir, you are on air, and we are pleased to be listening to you.

[Perfilyev] Good morning. First and foremost, I must say that now, the latest round of proposing candidates for the post of RSFSR Supreme Soviet chairman is going on. [passage omitted]

Today, there were two proposals: to postpone the election of the chairman of the Supreme Soviet until the fall, the other is to elect him now, but Boris Mikhaylovich Isayev, who is chairing today's session, explained the

rules and said that the rules envisage the congress electing the chairman of the Supreme Soviet at the current congress, regardless of how many rounds of voting there will be. Now proposing candidates has begun and once more Sergey Nikolayevich Baburin of the Rossiya faction and Ruslan Imranovich Khasbulatov, who has been proposed by the Democratic Russia faction, have been proposed as candidates—all these names are well known. The former candidate, Vladimir Petrovich Lukin, proposes voting for Khasbulatov. Also, incidentally, a proposal to vote both for the chairman and his first deputy in the same round has been put forward. I simply cannot say now how all of this will turn out, because at this very moment, a very heated, bitter—or perhaps that is not the right word....

[Announcer interrupting] Within the parliamentary framework.

[Perfilyev] A fierce battle, which is sometimes not within the parliamentary framework is going on. You see, just now we have seen the hall practically full of people's deputies, but when registration took place there was no quorum—that is to say a number of deputies are using nonparliamentary methods—they are there, yet apparently not there.

[announcer] Something like a boycott.

[Perfilyev] There is the aim of boycotting, and that resolution proposed by some deputies to postpone this until the fall could be implemented in this way. [passage omitted]

Election Called 'Parliamentary Crisis'

LD1307160591 Moscow TASS in English 1545 GMT 13 Jul 91

[By TASS correspondents Lyudmila Aleksandrova, Yuriy Kozmin, and Andrey Surzhanskiy]

[Text] Moscow July 13 TASS—On the fourth day of its work in the Kremlin the Fifth Congress of People's Deputies of the Russian Federation again failed to elect chairman of the Russian parliament. Instead of ending the congress today, the legislators decided to resume its work on Monday and not to postpone it until next autumn, as many of them suggested. The fifth congress will continue its work until it elects chairman of the Russian parliament, whose post became vacant after the inauguration of Boris Yeltsin as president of the Russian Federation.

Three votes were held on Friday and today, but none of the candidatures got 531 votes, required for election. Many legislators described the situation as a parliamentary crisis.

The candidature of Ruslan Khasbulatov, again nominated by the Democratic Russia group, got 405 votes today. The candidature of Sergey Baburin, representative of the centrist group Rossiya who is supported by the Communists of Russia group, got 462 votes.

The comparison of these results with those of the first voting, when there were five candidatures, show that Khasbulatov fails to win the election because some democrats—about 150 people—stubbornly refuse to vote for the official candidate of Democratic Russia, accusing him in the first place of the authoritarian style of work. Thus, part of the democrats do not heed the opinion of the Russian leaders who supported Khasbulatov.

Nikolay Travkin, leader of the Democratic Party of Russia and representative of the group of democrats who opposed the Khasbulatov candidature, expressed in a TASS interview open satisfaction over the results of the voting. Vladimir Isakov, chairman of one of the chambers of the parliament, said that this situation was created as a result of "personal ambitions of legislators and their inability to reach agreement," as well as the fact that "some legislators are not interested in having an effective counterbalance to the presidential power in the form of a parliament headed by an influential leader."

The only positive result of today's work of the congress was the approval of Ivan Silayev as head of the new government. Several days ago the government headed by him tendered its resignation, in accordance with the Constitution, following the inauguration of the first Russian president.

The congress will resume its work by groups at 1000 on Monday [0700 GMT 15 July], and a plenary session will begin on 1400 [1100 GMT]. It will again try to elect chairman of the Russian parliament.

TASS Views 'Deadlock'

LD1407134291 Moscow TASS in English 1332 GMT 14 Jul 91

[By TASS world service analyst Lyudmila Aleksandrova]

[Text] Moscow July 14 TASS—The fifth extraordinary congress of Russia's People's Deputies resumes its work in the Kremlin on Monday with a new round of election of a Russian parliament speaker.

The three-day forum that began on July 10 with a ceremony of the assumption of office by Russia's first President Boris Yeltsin has unexpectedly reached a deadlock.

The "businesslike" part of the congress proved far less successful than the ceremonial one. The endorsement of a law on the constitutional court of the Russian Federation and of the candidacy of Russia's prime minister was the only real result of its four-day proceedings.

However, the main task of the congress—the election of the head of parliament—has not been accomplished up to now because none of candidates has managed to poll the necessary majority of votes. Many participants in the congress describe the situation as a "parliamentary crisis". On Friday deputies decided that the congress would continue until a parliament speaker is elected.

On the eve of the congress, many analysts and circles close to the Russian leadership had taken it for granted that Yeltsin's first deputy Ruslan Khasbulatov would be elected to the parliament speaker's post that became vacant in view of Yeltsin's inauguration as the president of the republic.

Khasbulatov's rating was high enough among members of the Democratic Russia movement. Democrats regarded a win of the candidate nominated by the "Communists of Russia" as unlikely.

However, developments followed a scenario that was different from that expected in Russia's "white house": during three rounds of voting, none of the candidates managed to poll the necessary 531 votes.

Moreover, Khasbulatov did not even manage to take the lead in the number of votes polled and was overtaken by Sergey Baburin who had been nominated by the centrist "Russia" group and supported by the "Communists of Russia".

This outcome of elections was a blow not only to Khasbulatov but also to Yeltsin who in his new capacity of the president has for the first time encountered deputies' "wilfulness". This blow was dealt by representatives of the camp of democrats supporting him.

Centrifugal processes in the amorphous Democratic Russia movement that formed a year ago as a pre-election bloc of support for Boris Yeltsin, have mounted of late because of differences between the bloc's constituent parties.

The radical part of the bloc came to adhere increasingly often to "anti-Yeltsin" positions. At this congress the democrats failed to agree on a single candidacy either: In the first round of voting they were represented by three condenders.

The comparison of the results of the first vote, when there were five candidacies on the ballot list, with the outcome of subsequent rounds of voting on two candidates makes it possible to conclude that about 150 democrats are unwilling to vote for Khasbulatov. This prevents him from winning.

Many deputies share the viewpoint of Nikolay Travkin, leader of the Democratic party of Russia, who accused Khasbulatov of "authoritarianism".

Some deputies do not like that he used to "agree to compromises with the communists" too often. And finally, a certain role has been played by the fact that Khasbulatov is a Chechen by nationality.

At first glance, the situation has reached a deadlock: the Communists of Russia and groups associated with them have already done their best but failed to secure their candidate's victory.

Khasbulatov's candidacy, supported by the Russian leadership, does not win due to resistance on the part of a certain proportion of democrats.

Thus, the Democratic Russia group is faced with the choice: to try to persuade the "unruly" and again nominate the same candidacy on Monday or seek to find a new variant that could unite all democrats.

The possibility of finding a candidate who would suit both political camps seems unlikely. The congress seems likely to drag on.

Correspondent Speculates on Election

LD1307131891

[Editorial Report] Moscow All-Union Radio Mayak Network in Russian at 1130 GMT on 13 July broadcasts a seven minute report by correspondent Aleksandra Ruvinskiy from the Russian Soviet Federated Socialist Republic [RSFSR] Congress of People's Deputies taking place in the Kremlin. Ruvinskiy sums up the deadlock in the voting for the post of chairman of the RSFSR Supreme Soviet.

He then says that if the chairman of the Supreme Soviet is not elected in this round of voting, the work of the congress may simply blocked and some kind of compromise decisions will be required.

Ruvinskiy then asks RSFSR Deputy Ion Ionovich Andronov whether he agrees, and the deputy says he does. Ruvinskiy asks the deputy how he thinks events will develop, to which Andronov replies that either there will be a draw again when the results are made known in about two hours' time, or Baburin will get the extra number of votes which he lacked the last time. Andronov says that 531 votes are needed to win and Baburin had 485 the last time.

When asked what solution there is to the situation, Andronov replies: "The solution was prompted at the last sitting but no use was made of it. Two deputies proposed that if each of the potential chairmen named his first deputy—that is the representative of another faction—then obviously a compromise could be reached. But none of the sides agreed to that."

Ruvinskiy continues: "Quite a few events are taking place here around the congress itself. The representatives of the Committee of Soldiers' Mothers are continuing their hunger strike. They have settled down just now in Vasileyvskiy Spusk [old name for passage from Red Square to Kremlin embankment]. On the whole, it is a terrible picture—placards, mourning."

He then asks Andronov about the efforts to have Soviet POWS in Afghanistan released. Andronov recaps the work done by the movement to secure their release: "We exchanged two of our prisoners and helped a third to return across the frontier by underground means. A further four were released in addition with the assistance of the Committee for State Security. You can see the

result—six people after the withdrawal of our troops in February 1989. These are meager, pitiful results. One should not blame the Mujahidin or any foreign powers which are our enemies here. Our authorities are guilty. That is a special matter. But as things stand, the main obstacle in the way of releasing POWs is here. Last fall I reached an agreement. The Mujahidin chiefs sent a message to Yeltsin agreeing to send a delegation and to begin talks in Moscow about releasing Soviet POWs. But all of that was thwarted." He continues: "There are forces in our country which do not want to end the Afghan war—and we are continuing it but the press does not report that—and who do not want to take real steps to bring about the release of POWs because certain political conditions must be fulfilled. So, all the problems are here, and not there on that side."

Ruvinskiy says in conclusion that the results of the congress voting may be known around 1700 [1400 GMT].

Yeltsin on Relations With Gorbachev, Democracy

LD1207224391 Budapest MTV Television Network in Hungarian 1910 GMT 12 Jul 91

[Interview with Russian Soviet Federated Socialist Republic President Boris Yeltsin by unidentified correspondent; place and date not given; Yeltsin speaks in Russian with superimposed Hungarian translation—live or recorded]

[Text] [Correspondent] There are some people among your supporters who expect you to create order strong-handedly. However, some want exactly the opposite. They expect from you more democracy, more freedom. Who knows you better?

[Yeltsin] I think those who got to know me earlier. They know me as a strong man. However, I have changed in the past years, in fact quite a lot. I have changed, however difficult it is to break from the existing totalitarian system. However, those who got to know me in recent years believe that I am a supporter of democracy.

[Correspondent] Whenever Gorbachev wanted to hold you up, it always proved very advantageous for you from a political point of view. Now he strives for good relations with you. Does this mean that he wants to break you in forever?

[Yeltsin] I do not believe that he would have planned the matter so cunningly. No, the issue is that Gorbachev has recognized his own interests. He realized that the discord is fatal for him and for the Union, too. Do you understand? He cannot be opposed to me so stubbornly, especially now that I am an official figure, the president of the Russian Supreme Soviet, of a federation which has 100 million inhabitants.

[Correspondent] Many electors consider you to be the only person among the candidates who really fights against the CPSU. On the other hand, you chose your deputy straight from the party. Why? Because the party is still so strong that you will inevitably need it?

[Yeltsin] Look, I am not against the CPSU in general. There are members in the CPSU who work and have worked for decades decently in the party. It would be a mistake to reproach these people for anything. I am basically against those who stick to the power functions of the party. Although Clause No. 6 on the leading role of the party has been withdrawn, in reality it is in fact still valid. In the counties it is the first secretaries who give orders, not the councils; it is the same in the towns and the counties, too. Well, I oppose this structure of the CPSU. The so-called Rutskoy effect appears in this background. I want to collect around me the Communists who are for democracy. Rutskoy is the person who can show me the Communists who have always lived and worked decently. Rutskoy does not want to leave the party. Why? Probably because he has gotten used to his post, or for some other reason. You know, discipline. On the other hand, he does not have to take on responsibility for everything the CPSU has done against the people, for all of the past period. This is exactly what gives a moral basis for us to find a way out of the situation which has developed. A Communist who is for democracy.

Baburin, Others Seek Gorbachev Resignation

LD1307141791 Berlin ADN in German 1323 GMT 13 Jul 91

[Text] Moscow (ADN)—A group of 12 communist deputies to the Russian parliament has called for the resignation of Soviet Communist Party leader Gorbachev. In an open letter that the deputies handed to the independent Moscow news agency INTERFAX today, they explain their demand by Gorbachev's "inability" as state president to guarantee adherence to the Constitution and the execution of his decrees. A USSR president who is not in a position to do this can no longer remain at the head of the party, it says in the letter. Among the authors of the letter is the 32-year-old lawyer Sergey Baburin from Omsk in Siberia, who is currently standing for the office of chairman of the Russian parliament in a second round at the Russian Congress of People's Deputies meeting in Moscow at the moment.

He and his fellow holders of the same opinion call it a "strategic mistake" by the Russian Communist Party leadership to have taken part in the "anti-democratic presidential elections in the Russian Soviet Federated Socialist Republic" which Boris Yeltsin won. During the election on 12 June, the communists with their candidate, former Soviet Prime Minister Ryzhkov, suffered a devastating defeat.

Polozkov Forecasts Split in Communist Party

LD1207173791 Moscow TASS in English 1703 GMT 12 Jul 91

[By TASS parliamentary correspondent Lyudmila Aleksandrova]

[Text] Moscow July 12 TASS—Russian Communist Party chief Ivan Polozkov forecasts "the beginning of a split within the Soviet Communist Party or its more active division" shortly.

This process "is long overdue," he told journalists during a break in the fifth Congress of People's Deputies of the Russian Federation, currently under way in the Kremlin.

Polozkov admitted that the process "was intrinsic in the very nature of the Communist Party which was the only and ruling party, at a time when adventurists and careerists were joining in."

"That was the beginning of its division, now it is coming to the surface," he added.

Polozkov believes that party members should be reregistered as soon as possible to determine the real scope of the party's influence.

Commenting on the intention of the movement Communists for Democracy to separate from the Russian Communist Party and claim their part of property, announced yesterday, Polozkov expressed his doubts about their chance to create a party. "Aleksandr Rutskoy's party is a fiction, a political game."

He was just as pessimistic about prospects of the newly founded Democratic Reform Movement.

As to the issue of dividing party property, Polozkov said "we are not worried by that at all—we have nothing to divide, since all property belongs to the Soviet, rather than the Russian, Communist Party."

Speaking of Mikhail Gorbachev's forthcoming trip to London to meet leaders of the G-7 nations, Polozkov was positive "if it is viewed as a chance to discuss problems, including ours, as a stage in the development of international cooperation, economic and political ties."

"If the president goes there to beg, I think that this will be denigrating for the country," he emphasised. "I perceive from press reports and remarks by Western officials that the West will try and force the Soviet Union down to its knees and dictate certain political terms," Polozkov said.

Bashkir Premier Resigns as Party Bureau Member

PM1507113191 Moscow IZVESTIYA in Russian 11 Jul 91 Union Edition p 3

[Aleksandr Zinovyev report: "Premier Accuses Party Committee"]

[Text] Ufa—The republic's newspapers have published a statement by M. Mirgazyamov, chairman of the Bashkir SSR [Soviet Socialist Republic] Council of Ministers, to the Bashkir Committee of the RSFSR [Russian Soviet Federated Socialist Republic] Communist Party. The chairman of the republic's Council of Ministers has asked to be relieved of his duties as a member of the republic committee bureau.

He explained his decisions by stating that, despite his repeated proposals and talks with the republic committee leadership on the impermissibility of a noninterventionist position and the need to urgently define the republic committee's role and place at this crucial time, there have been no changes. In this connection M. Mirgazyamov, as is clear from his statement, no longer finds it possible to be a member of an organ whose activities are promoting the collapse of the republic's party organization.

The head of the government hopes that his statement will be examined by the RSFSR Communist Party Republic Committee without confrontation, since it has no bearing on his attitude to the party. "I am and continue to be a member of it," the statement says.

Commerce Department Aide Meets Minister, Comments

PM1507095991 Moscow ROSSIYSKAYA GAZETA in Russian 10 Jul 91 p 2

["Official Section" report by Aleksandr Stoyanov: "Russia-America: Direct Contacts"]

[Text] The U.S. Administration considers it very important to establish direct trade and economic links with the RSFSR [Russian Soviet Federated Socialist Republic] and needs information on the potential for U.S. capital investment on the territory of the republic. This was stated by U.S. Assistant Commerce Secretary Timothy D. McBride, who was received today at his request by RSFSR Foreign Economic Relations Minister Viktor Yaroshenko.

According to T. McBride, the U.S. Commerce Department sees the Russian Foreign Economic Relations Ministry as a central component in the Soviet foreign trade regulation system and is counting on its help in placing the credits which the United States intends to grant to the Soviet Union.

The U.S. representatives said that Boris Yeltsin's recent visit to the United States had helped dispel U.S. Government and business circles' fears over the uncertainty of relations between the Union and republic authorities. T. McBride said that President Bush is currently making a decision on the question of submitting a new trade agreement with the USSR for consideration by Congress, an agreement that envisages revoking the Jackson-Vanik amendment, and includes granting the USSR agricultural credits worth $2.5 billion and nonagricultural credits worth $300 million.

So far, T. McBride said, the U.S. Commerce Department has received applications to conclude deals with Soviet partners worth a total of $1 billion. Deals worth $500 million have been given preliminary approval. There is an agreement between the U.S. Export-Import Bank and

the USSR Foreign Economic Bank on cooperation in financing U.S.-Soviet projects. However, practical collaboration is being hindered, the U.S. representative said, by the fact that the Foreign Economoic Bank is not reacting promptly to questions raised by U.S. partners.

In response Viktor Yaroshenko proposed the establishment of contacts with the Russian Foreign Trade Bank. The proposal will be considered at the U.S. Commerce Department. At the same time, V. Yaroshenko and T. McBride agreed to start the elaboration of a treaty on direct trade and economic cooperation between the United States and the Russian Federation. The work will be conducted in close collaboration with an informal working group of experts from the U.S. and Russian governments.

U.S. business circles are currently focusing attention on the fate of the plan put forward by the M.L. Berke/Glasstek [name as transliterated] consortium, which is offering to supply equipment for the production of windshields for the Volga Truck Plant. It is the first plant to receive definite credit guarantees from the U.S. Export-Import Bank. The association's representatives admit that the U.S. partners are offering them high-quality equipment at competitive prices. But, despite that, they have not signed the contract, because, specialists believe, they have plans for the resumption of close contacts between the Volga plant and FIAT of Italy. But, according to T. McBride, the fate of the project will undoubtedly serve as a pointer for very many U.S. firms when deciding whether it is worth cooperating with the Russians.

Ukraine

Kravchuk Comments on Republic's Future

LD1307201691 Moscow Central Television Vostok Program and Orbita Networks 1530 GMT 13 Jul 91

[From the "Vremya" newcast]

[Excerpts] A news conference was held in Kiev by Leonid Makarovich Kravchuk, chairman of the Ukrainian Supreme Soviet. Our correspondent reports: [passage omitted]

[Kravchuk] Analysts have recently started to regard Western Ukraine as representative of the whole of Ukraine—in fact not even the whole of Western Ukraine but just one or two of its oblasts. I would say there is a carefully targeted and deliberate search for people who hold their own individual views on Soviet power and its history. Such people exist everywhere. Moreover it is not difficult to find such people among millions of the population. On the basis of these people's views far fetched conclusions are being drawn. But those living outside the Ukraine may get the impression that ours is the republic of Bandera's supporters. The thing is that there is no proper analysis. There are only journalistic allegations which have no real grounds; attempts are made to put across the impression that the whole of the Ukraine and its leadership have abandoned the path which was determined for it by the Ukrainian people. None of this corresponds to reality.

Kravchuk News Conference on Kohl Talks

LD1107171791 Kiev Radio Kiev Network in Ukrainian 1500 GMT 9 Jul 91

[News conference by Leonid Kravchuk, president of the Ukrainian Council of Ministers, with correspondents on German Chancellor Helmut Kohl's 5 July visit in Kiev; date not given; broadcast in progress—live or recorded]

[Excerpts] [Kravchuk]...The fact that Stanislav Ivanovich Hurenko took part in the meeting with Kohl is not in any way connected wither with socialist choice or communist perspective.

We were engaged in a conversation, and Chancellor Kohl showed an intention to listen to all the forces functioning in the republic, to all the figures who represent Ukraine today. Since the Communist Party is today the ruling party, which is no secret to anyone, and since STanislav Ivanovich represented this party, he outlined briefly an analysis of the processes that have taken place here. To my understanding, it was Chancellor Kohl who wished to hear him out. Chancellor Kohl would like to listen to all people, without dividing them according to some formula. It is in this that Western politicians rise above us, that they are not glued to the formal point of view but prefer listening to everyone who is able to enlighten them on the existing situation. [passage omitted]

[Akulenko, correspondent for PAMYATKY UKRAINY magazine] You have paid a great deal of attention to the importance of historical memory. Those protecting relics will be pleased by this. Our declaration contains a point that Ukraine has the right to the return of all historical and cultural values. According to Lenin's 1918 decree, the return of cultural values not only means rightful possession but also displays recognition of statehood. In this case, the other state would make an important step by doing so. Will the Supreme Soviet raise this question?

This is the second question: Not very long ago, at a sitting of Russia's Supreme Soviet when the Union treaty was under discussion, the well known Deputy Volkogonov stated that the inviolability of Union republic's borders is valid only for as long as it is part of the Union. Should the republic raise the question on its withdrawal from the Union, this principle becomes null and void. Further, he and other deputies reminded that the Crimea and Odessa were added to Russia by czars and, in particular, by General Suvorov. Now, the question: Would it not be worthwhile for Ukraine, as a sovereign state, to put her signature under the Helsinki agreements, which maintain the principle of inviolability of borders in Europe?

[Kravchuk] While visiting your magazine, I asked you and other editors to prepare the register of all things that must be returned to Ukraine. If such a register, well grounded and substantiated from all sides, is handed to me, I, on behalf of the Supreme Soviet and its Presidium, will sign it immediately. My view is that everything of value for Ukraine, all its spiritual riches, must be kept here. Now the utterances by Volkogonov. I can say only that he has the right to speak his mind. [passage omitted] If any of the republics declares its withdrawal, then, on the basis of the normative documents governing such an act, she will leave the Union and create own statehood with all sovereign features, own army, and such like. It will state, first of all, the inviolability of its borders. Its exit will not stop the validity of the law. It will have the right to defend its borders. [passage omitted]

[SVOBODA correspondent] I am Arkadiy [word indistinct], representing the paper SVOBODA. My first question relates to the Union treaty. During its discussion in the parliament, academician Yukhnovskiy quoted a document that was sent by the USSR foreign Ministry to the Hungary. It was stressed in the mentioned document that the Ukraine is only part of the Soviet Union. How did you feel as chairman of the Ukrainian parliament after having read this document and what was your reaction?

[Kravchuk] I would like to tell you this: The uncertainty that exists today in political, economic, and other relations gives birth to the sort of documents you've just mentioned. We cannot state today that the Ukraine enjoys full political and economic sovereignty. Don't you agree? Nor can we say that the Ukraine's membership in the Union proceeds today in accordance with the 1922 treaty, in both political and economic fields. In our declaration and in the law on economic independence we stated that we are a sovereign state, although we still lack many features of sovereignty.

My view is that in the existing situation the central organs should take into account the two processes taking place now: the process in republics and the process of containing or, to be more precise, the attempts of the center to contain this process for various reasons. The center should, without any hurry, watch what the republics are doing, what laws they are passing, what direction they are taking, what aims they are pursuing. Then, instead of impeding this process, it should support it. Then it would become clear that not only the peoples of republics, but also the central organs are interested in their sovereignty. To a great regret, this is not happening.

The document you mentioned was sent to the Hungarian Embassy not after my visit, but before my arrival in Budapest. I knew about this document, although I did not read it. I was told in Hungary that a certain document was handed in and it pursues certain aims. However, to my great satisfaction, the Hungarian side, knowing well about this document that originated in the USSR Foreign Ministry, treated us just as a state respecting its neighbor should. That document had no influence whatsoever. [passage omitted]

[Unidentified correspondent] The Ukrainian SSR Supreme Soviet provided a clear-cut answer to the statement of the Romanian parliament on territorial pretensions. [passage omitted] It looks like Snegur's Moldova will go over to Romania. The things is that the left bank [of the river Dnestr] of Moldova has never been a part of Romania. [passage omitted] The Helsinki agreements prescribe that the post-war borders should be retained, so many of our people will be simply handed to the other side.

[Kravchuk] Here is what I'd like to say: We stated in our declaration that the territory of the Ukraine is unitary and indivisible. [passage omitted] Should anyone display intentions of a destructive character, aiming at pulling down this indivisibility, such acts will be stopped by the Supreme Soviet immediately! We never permit such intentions to grow no matter where they originate from.

As to Moldova, if the Moldovan leadership have any pretensions to North Bukovina and Bessarabia, then we resolutely reject these statements and will not engage in the discussion of these questions. [passage omitted]

[RADYANSKA UKRAINA correspondent] I am from the paper RADYANSKA UKRAINA. I'd like to return to the question on the Union treaty. I agree with you that no hurry should be displayed in this matter. Now, is dragging of feet better than haste? What would happen if the fourth session of the Ukrainian parliament, after arriving at some balanced conclusions, decide to turn to its partners on the Union treaty who would, by that time, already have a Union they wanted? Could not a situation arise when, say, Russia, Belorussia, Kazakhstan, and others could have already signed the treaty and said to us: where, esteemed comrades, were you earlier? What did you do before? Now we have no intention to take into account your wishes and your aims. There will be two solutions then: either to sign what will be submitted to us to to take offence and slam the door. I think we would not want any of the choices.

[Kravchuk] My thinking goes like this: This question is now being tackled in the midst of the people as well. It is alleged that the Ukraine is dragging its feet, that it might become a destructive force which would cause the non-signing of the treaty and so forth.

Let us go back a little. What does the term putting off mean? First, we've postponed the decision for two and half months. And the necessity of a Union treaty was, as you remember, urged by Andrey Sakharov as far back as the First Congress of USSR People's Deputies. For some reason his call was not heard properly. The question was deferred, then deferred once again. There was much talking and writing and noise in television programs but no decisions made. Our attitude, of all of us present here, was also diverse. We also produced a great deal of noise.

How many dates were then set for signing the treaty, but all came to nothing! Therefore, I consider that two and half months does not amount to a deferment. This is the setting of a realistic date, in fact the earliest in an extremely tight schedule, in order to get acquainted with and learn all the variants and to analyze them.

Secondly, your question contains the following point: take any direction as long as it satisfies those who accept you into the pool. Well, if I intend to join the Union, then I expect that my wishes will be met. Of course, I may make allowances for the fact that I am dealing with a family, in wich concessions are a natural thing for the sake of the common good, but not on questions of principle. We want to be heard, we press for the priority of our conditions. We do not share this sentiment: well, you do not want to be with us, then off with you, good luck to you Parasya [diminutive, endearing female name]. Well, if so, then there is nothing left for Parasya, but to look for finances somewhere else. Do you understand? That is what is meant. Therefore, republics must be heard out. I believe that common sense will prevail and that they will lend their ear to republics. No other historical path of development lies before us. Any other interpretation would mean that someone has designed something and what is left for us to do is to run there, as if in a race. No, first we must sort things out. And that's that.

We must construct a union that would have prestige. We must not compromise the treaty—and this can be done in no time. For example, currently the psychology of our people has been saturated with the assertion that as soon as we sign the treaty the next day all things will become normal. No, it is a lie. Whether we sign in August, September, or October, things will remain bad. In December—even worse. In January—you will see yourself. No, we must not deceive people. Here in the Ukraine we will be doing everything posible to prevent this, but it will be difficult, for we are changing all foundations of life.

And what will the people and all those who do not understand everything say to us? They will say: you have deceived us once again. You kept saying that things will be

better after the signing of the treaty, but no changes have ensued. It might turn, it would seem, into the final deception because afterward no one will be able to take any historically significant steps. We have come to the finish, to the last line. Let us approach it cautiously. Let us not compromise the treaty. For the people to believe in it and support it, the treaty must correspond to the people's interests. Only this formula will do. No, there is no putting off, not at all. If they did not pay enough attention in the beginning, then people want to make sure at the last stage.

[KOMUNIST UKRAINIY correspondent] I represent the KOMUNIST UKRAINY...I want to raise a more prosaic question. Coupons have been abolished. What means will there be from now on to defend our market? Already now, and this is no secret, the squandering of our reserves is going on. The Ukraine is now full of all types of dealers. have any measures been taken?

[Kravchuk] Our government is now looking into all proposals and there are heaps of them. [passage omitted] The Cabinet has already been instructed by the Supreme Soviet to do everything possible to preserve the harvest. The shipments of most important types of agricultural produce have been prohibited. Thus, the first step has been taken. [passage omitted] We are even prepared to introduce a special strict regime in the Ukraine for retaining and supplying grain. We must preserve the harvest in order to provide ourselves with everything we need. We will need 17 million to 19 million tons of grain in order to have bread and things to go with bread. To achieve this, we'll be prepared, let me stress it, to take any steps. [passage omitted]

And now may I express my sincere thanks to you for this meeting and remind you once more that we intend to hold such meetings in the future. All the best!

Gurenko Views State of Communist Party

PM1207135191 Moscow PRAVDA in Russian 11 Jul 91 Second Edition p 2

[Article by S. Gurenko, member of the CPSU Central Committee Politburo and first secretary of the Ukrainian Communist Party Central Committee: "The Main Things in Politics Are Responsibility and Honesty"]

[Text] Statements about the critical state of our society and about the threatened aggravation of the sociopolitical situation in the country, which have become almost ritual in any speech, today generate nothing but irritation in people. They are worried by the simply inexplicable inefficiency of the actions of the organs of power and the tolerance with regard to the forces which are leading matters toward the disintegration of our union state. But what draws the attention is that whoever starts talking about the situation in the country and wherever he may be, the topic of the CPSU is inevitably present.

Recently two approaches, two positions have appeared clearly here. One is seeking a way out of the crisis and relying on the party of the Communists as a real force. A force which can offer the working people a specific program of actions which accords with their interests and can direct its intellectual and cadres potential and undisputed experience of organizational work toward its implementation. And the other approach is the "alternative" approach, so to speak—it is preached by politicians filled with ambition who, arrogating ideas already put forward by the CPSU, are initiating various "movements" and pursuing the aim of undermining the party from within, introducing disorder to its ranks, and causing it to fall out with the working people.

We are now witnessing one such dangerous attempt (and far from the first!) The particular danger is that it is people who only recently belonged to the top political leadership but have now moved to anticommunist positions who have resolved to split the CPSU and to create an opposing political organization on its ruins. Many people are shocked at the ease with which "democrats" and "reformers" who once took from the party everything that could be taken and thus made provision both for themselves and their grandchildren, as the saying goes, have now switched, as Lenin put it, to the ranks of the free-lance marksmen of free-lance groups of the writing fraternity. Today their efforts are aimed at seizing the party's organizational structures, press organs, and material and financial assets and directing them against the party.

The press—the party press and the opposition press in our publications and foreign publications—notes that the platform noisily billed by the leaders of the new movement contains virtually nothing that was not in the program documents of the CPSU. In addition experience shows that overt or concealed anticommunism is a very unreliable basis for rallying motley movements and organizations. Let us recall V.I. Lenin's words: Blocs built "on lack of principle, hypocrisy, and empty phrases" are doomed in advance to failure.

And nonetheless it would be a serious error to underestimate the danger of the undertaking whose aim is to encourage destructive trends in the party. The situation requires an in-depth consideration of the processes taking place in the party, serious conclusions, and specific practical deeds in defense of its integrity and unity on a principled basis.

Every person who holds dear the cause of the party and the fate of the people and the country cannot fail to think about what is happening in the CPSU. How could it happen that those people who all these years were forming the party's ideology, determining its political course, placing and replacing cadres, and glibly assuring us that "everything is going as it should" are now acting in the role of the party's gravediggers? And today these people are declaring the CPSU's political line to be erroneous, are blaming its cadres for the fact that there has been "no democratic resurrection of the CPSU, no break with its dictatorial past or transformation into an effective political organization."

Frankly, I feel quite ill when such accusations are leveled against the entire party cadres corps (which, incidentally, has been renewed at least three times during this period). One cannot fail to see that at the same time almost every party worker who voices alarm at the state of affairs in the party and country, who expresses critical remarks about the leadership, is declared a conservative even in the central organs of the party press and is subjected to defamation. The favorite arguments here are that they are motivated by "nostalgia for the past," you see they have "panicked," have "lost their heads in the face of difficulties" and have almost dared to undertake "a coup in the party."

In this connection it is appropriate to return to the debate at the April (1991) joint plenum of the CPSU Central Committee and Central Control Commission, whose content and nature are unfortunately distorted. As is well known, as though following a command fire "for effect" was opened up against the plenum participants who voiced criticism. Here some press organs of the most varied political persuasions are persistently introducing to the mass consciousness the names of those whom they declare to be "enemies of perestroyka."

It is becoming increasingly obvious that some people need, need very much, a noisy campaign against the "conservatives" in order to divert attention from the main danger menacing the party. Some people obstinately refuse to see and admit that it is not the party leaders locally who are allegedly "clinging to their posts" but the masses of Communists who are voicing bewilderment at the passivity and inconsistency of the leadership of the party and country, the inaction in the face of increasingly blatant actions by the antisocialist, extremist forces, and the persecution of Communists. Just as they are doing so in connection with the incomprehensible position of the CPSU Central Committee and its leadership with regard to those who are splitting the party under cover of the slogans of "democracy" and "reforms." To be persuaded of that you only have to meet with Communists in any party organization.

That is precisely why I venture to assert that the members of the Central Committee, the participants in the plenum, were guided not be the desire to remove anyone or to accuse anyone without grounds. The bogey of the "conservatives' plot" was thought up without any justifications but not by no means without design. The Central Committee members tried to convey the feelings which are disturbing many party organizations. The comrades brought to the party forum the pain and anxiety of Communists and nonparty people and reflected the acuteness of the situation in the country, the anger of the party masses, and their persistent demands for resolute actions. And that must be taken into account if we want to preserve the country, preserve the party, preserve our people's socialist choice.

I must say frankly that many Communists in our republic cannot understand why the frank, principled talk at the plenum was used to persecute those who are sincerely concerned by the people's impoverishment, by the collapse in the economy, by the aggravation of interethnic conflicts, and by the real danger that our mighty, authoritative state may turn into a second-rate power.

The situation in the country urgently demands that the CPSU have a clear, comprehensively verified, carefully weighed system of measures for emerging from the impasse, a system that is clear and comprehensible to the people, a program of actions on whose basis it would be possible to consolidate society and rally all patriotic forces.

The central link here is the transition to a market economy. The Ukrainian Communist Party Central Committee firmly stands on the position which essentially comes down to two ideas. First, this process should not be implemented at the working people's expense, on the basis of renunciation of the social gains achieved during the years of Soviet power, the state's renunciation of its duties to its people without creating stabilization funds. In other words, without creating reliable mechanisms for the protection of the population and legal, financial, and organizational guarantees of this protection which would operate irrespective of whether anyone wanted them to or not.

And second, on the basis of world experience and the opinion of authoritative Soviet and foreign economists, we believe that during the transition to the market the "shock treatment" method and any adventurist approaches, however fine and attractive they may seem, whatever the good intentions on which they are based, are fundamentally unacceptable. Not a single serious politician in the world allows even in his thoughts that the complex process affecting the vital interests of the entire people that is the transition from the administrative-edict system to a market economy can be implemented in an hour, so to speak, without any influence from the state.

International experience attests that the transition to the market invariably requires the creation of commodity, financial, and currency reserves and most importantly reserves for helping those citizens of the state who will inevitably be in a disastrous state. That is recognized by everyone today. Our European friends warn us against errors and confirm by their own experience that the market must be treated with very great respect—its normal structure will take five, 10, or even 20 years to form.

And we ourselves have already had the opportunity to be convinced where heedless privatization leads when it is used to launder and legalize the capital of the "shadow" millionaires. We are convinced that only a regulated transition to the market can safeguard society from the upheavals which will be inevitable if we allow mass unemployment, the progressive impoverishment of tens of millions of people, and the enrichment of a handful of latter-day nouveau-riches.

As is well known, our party elaborated that line at its 28th congress and confirmed it at subsequent Central Committee plenums. Our reality convinces us of the correctness of the course. What grounds are there for

presenting as "opponents of perestroyka" those who consistently defend that position?

The Ukrainian Communist Party Central Committee does not simply declare such a policy—through the Communists in the republic's Supreme Soviet and government we are persistently (albeit not always successfully) seeking the adoption and implementation of decisions which would insure reliable guarantees of the social protection of the working people during the anticrisis program's implementation.

Another charge leveled at the so-called "conservatives" is that, you see, they are dragging us back to the times when the party was in command of everything and decided everything for everyone.

But after all it is not a case of the CPSU Central Committee taking decisions which are binding for the state organs. That practice long ago—justifiably and irreversibly—retreated into the past. The problem lies elsewhere: If the CPSU wants to restore and acquire the role of an authoritative political force which is followed by the people it simply must elaborate and state its position on fundamental questions of the life of society and the state and voice its attitude toward the very important draft laws which are submitted for examination by our parliament. And that should be done by the party Central Committee and its Politburo. Yet even the Politburo has not discussed even the concept of the draft laws on property, on land, on entrepreneurship, and on privatization. Yet the implementation of these laws in many ways predetermines the fundamental changes of the foundations of our system, its political structure, the party's position in society, and the possibilities for its influence on the solution of the fundamental question—the question of power.

It is hard to explain this situation—which, incidentally, is inconceivable in the ruling party of any state. You are surprised when yesterday's leading ideologist of the CPSU and very influential member of the Central Committee Politburo, now one of the leaders of the "new movement," states: "The drama of the situation also lies in the fact that the mass of Communists are not asked when fundamental political decisions are taken." That is indeed so. But the truth is that the party has reached a state which was purposefully shaped by its recent leaders.

They say that the political line was determined by the 28th party congress. That is so. But after all one can cite many examples of the position of the leadership of the party and country on fundamental questions undergoing the most serious transformations, but the Central Committee has not voiced its opinion on those questions. For instance, it is known that the CPSU Central Committee report to the 28th congress did not even mention private ownership. The congress resolution mentioned only private labor ownership. But now decisions have been taken on large-scale privatization, which opens up a real possibility of the transfer into private hands not only of trade and consumer services establishments but also of large enterprises in the leading sectors of industry. Surely these are questions on which the party and its central committee should have expressed their opinion and determined their position and elaborated their tactic?

Communists are justifiably voicing anxiety in connection with the fact that the CPSU Central Committee has in fact let slip cadres policy. And here again —I should like to stress this particularly—it is not a case of a return to old formal, nomenklatura-based approaches which have been overcome by life, as some people simplistically try to portray our position. The party and its organizations and committees, if they want to influence the state of affairs in society, cannot fail to determine their position on specific, fundamental cadres issues (something which, unfortunately, does not exist now). That they must implement this position while strictly observing the principles of the elective system and of competition, acting exclusively by methods of persuasion within the framework of democratic procedures defined by the law, is another matter.

The Ukrainian Communist Party Central Committee and the republic's party committees strive to act like that. We can see on the basis of specific examples how this enhances the responsibility of the comrades recommended by the party organizations for leading posts in the state apparatus and in other sectors of public life. And if you consider that all this is being done openly, for the public to see, then the responsibility of the party organizations for those they recommend is increased. Incidentally, here too Lenin's behest has not lost its topicality: "As long as the ruling party is in control, as long as that party must decide questions of the various state functions, you will not allow the most important state functions not to be implemented by the leading party."

Unfortunately work with cadres remains a weak spot. And it is not only a case of errors in selecting people, which we are not managing to avoid. The Communists who perform vigorous political activity are now subjected to tough psychological pressure.

Let us leave aside the items in those mass media which have assigned our brother a place somewhere between Pithecanthropus and a mental retard. Far more poisonous are the fruit of the efforts of the pseudo-intellectuals who daily, actively, and smartly drag into the mire everything connected with communist teaching and the Communists' practical activity. Through the efforts of yesterday's party apparatchiks—doctors of sciences "from the CPSU," academicians "from the CPSU quota"—ideological betrayal is canonized as an "objective" phenomenon. The direct spiritual heirs of those whom Lenin once aptly called "political prostitutes" are now flourishing.

Under these conditions the party organizations are required to resolutely step up their attention toward the political tempering of cadres and to support the Communists who adopt a precise party stance. Blunders in these matters are fraught with the danger of serious losses. It must be frankly admitted that it is to a considerable extent for that reason that so far we have

not succeeded in pursuing the line of the Ukrainian Communist Party Central Committee during the discussion of the draft Union treaty in the republic's Supreme Soviet. Not all Communists who are people's deputies were able to resist the onslaught of the political opposition seeking to impose on parliament—counter to the will of the Ukrainian people expressed at the union referendum and in the republican poll—a course toward the Ukraine's separation from the USSR. We must make serious efforts in order, in subsequent discussion, to insure support for the Union Treaty, which accords with the people's fundamental interests.

Communists are worried that the CPSU Central Committee is not dealing a proper rebuff to the demands to "change the coordinates" and to the intensifying attempts to "overthrow idols and deities" and above all to "uncrown" V.I. Lenin and Leninism, to blame the founder of our party and state for all the negative phenomena which have occurred in the country's history. That is dishonest and unfair. Unfortunately, the opinion heard recently that it is essential "to rid ourselves of a religious awe with regard to the founders and literally everything they have written and said" objectively comes within the mainstream of demands to renounce Marxist-Leninist methodology and the theoretical foundations of the CPSU's activity. To speak today of some "religious awe" with regard to the classic writers, of "blind acceptance" of their works is frivolous to say the least.

And one last point. The key problem of our day is the defense of the party's unity and the resurrection of its authority and influence. It is impossible to resolve this task without breaking off relations with those who want to split the party and drive it onto the edge of political life. We cannot count on proceeding successfully along the set course if that course has not been finally determined and those who are in the boat are rowing in opposite directions. Unfortunately that is precisely the state of our party today. And that demands, first, that we elaborate at truly scientific, militant party program which could be accepted by real Communists and supported by the people and second that each Communist determine his own position. The reregistration of party members is on the agenda. There should be no place in party ranks for those who, flouting the elementary norms of party-mindedness and morality, who does everything to destroy party structures from within, and who performs the role of a "Trojan horse."

I should like to end with some words which Lenin uttered in 1910, when the party was also living through very grave times: "The comrades who hold dear the party and the cause of its renewal must express themselves most resolutely against all those who from purely factional and group considerations and interests are seeking to destroy the party."

Gurenko Comments on Union Treaty Prospects

PM1207114991 Moscow PRAVDA in Russian 6 Jul 91 Second Edition p 2

[Correspondent M. Odinets report: "To Fulfill the People's Will"]

[Text] Kiev, 5 Jul—The newspaper KYYIVSKYY VISNYK today published a conversation between its correspondent and Ukrainian SSR [Soviet Socialist Republic] People's Deputy S. Gurenko, first secretary of the Ukrainian Communist Party Central Committee. Concerning the question of the work of the Ukrainian Parliament and the losses that have occurred in the recent period, Stanislav Ivanovich said, in particular:

"I am very critical of the adoption of the decision concerning the draft Union treaty. Clearly, this is no tragedy, but it is a very, very disconcerting factor. It is known that the Supreme Soviet adopted by a majority of votes (307 in the preliminary vote and almost 360 in the final vote) a document which makes no assessment of the draft Union treaty. Second, a decision has not been adopted to create a plenipotentiary group which, despite all our disagreements with the text of the draft, would still continue active work on it. If we continue along this path, then, against the background of the disagreements which obviously still lie in store, it is possible to place a question mark over the very fact of the Ukraine's joining the renewed Union. That is, a very serious, fundamental discrepancy could arise between the actions of parliament and the results of the referendum in the Ukraine.

"I recall the results of the referendum on the so-called union voting paper in Kiev and in certain oblasts of the republic. For, on the whole, more than 70 percent of the referendum participants advocated that the Ukraine should be in the Union. Accordingly, I see it as an important task of our Supreme Soviet (I have spoken of this repeatedly, and also in my speech yesterday) to actually finalize the draft Union treaty in accordance with the Ukraine's Declaration of State Sovereignty and our people's fundamental interests.

"...It is worth recalling that back in January of this year the Ukrainian Communist Party Central Committee (I emphasize, the Central Committee—not the apparatus) prepared its own draft of the Union treaty. We published it and sent it to the USSR Supreme Soviet. The draft takes account of more than 20 of our principal remarks. Unfortunately, official representatives of the Ukrainian SSR Supreme Soviet did not supplement that work.

"We advocate a new Union and a treaty which will be acceptable to the people of the Ukraine and which will coincide with the provision of the declaration. And we are struggling for this. What decision is made and how people vote for it is another matter. Communists on the Supreme Soviet also vary...."

Armenia

Villages Invaded by Military Units 13 July

OW1507083891 Moscow INTERFAX in English 1230 GMT 13 Jul 91

[Transmitted via KYODO]

[Text] At about 7 a.m. local time on Saturday unidentified military units in black uniforms supported by helicopters and armoured vehicles broke into the Armenian-populated villages of Erkech, Manashid and Buzlukh in Geranboi (formerly Shaumyan) region of Azerbaijan, said Armenia's Interior Ministry.

Threatening local residents with physical destruction, the attackers demanded that all ethnic Armenians be deported from the villages. Spokesmen for the USSR Interior Ministry, USSR KGB, USSR Defence Ministry and Azerbaijan's Interior Ministry have declared that their organizations were not involved in the operation. The personnel of Armenia's Interior Ministry went on the alert to secure armed defence for the residents of the attacked villages. Information on what happened along with a call for urgent aid was forwarded to the interior ministries of all Soviet republics and to the USSR leadership.

According to the news agency "NORUTIUN SERVICE," the action was launched by members of Azerbaijan's special police (OMON), USSR Interior Ministry troops and Soviet Army units. The same agency reports that Azerbaijan's Deputy Interior Minister Mamedov who is in charge of the operation presented an ultimatum to the villagers: if they fail to vacate their villages before 12:30 local time, they will be destroyed.

MVD Denies Involvement in Village

LD1407220391 Moscow Central Television First Program Network in Russian 2122 GMT 14 Jul 91

[Text] The USSR Ministry of Internal Affairs [MVD] reports that at present, any actions connected with checking the conditions in a number of inhabited points of the NKAO [Nagorno-Karabakh Autonomous Oblast] are being carried out exclusively by the Azerbaijan militia. Internal troops units deployed in this republic have been mobilized only to guard more important state facilities and transportation routes. However, the attempt to link their activity with alleged deportations is of a provocational nature aimed only at heightening tension in the region.

Criticism of Pugo's Statement on NKAO Noted

NC1307100791 Yerevan Radio Yerevan Network in Armenian 1830 GMT 11 July 91

[Text] A number of Soviet officials and certain news organizations lately have started to disseminate the concocted claim that there had been no peaceful residents in Getashen and Martunashen villages, in Berdadzor Subrayon and Gadrutskiy Rayon of Nagorno-Karabakh Autonomous Oblast [NKAO], and that at present there are no peaceful residents in a number of villages in Shaumyanovskiy Rayon of Azerbaijan, but instead Armenian guerrillas engaged in acts of destabilization.

The Armenian Republic Supreme Soviet adopted a declaration on this. It specifically states: When the region is extremely tense and innocent people daily are being killed and subjected to inhumane deprivations as a result of attempts to choke the NKAO in blood, USSR Interior Minister Boris Pugo's irresponsible declaration at the USSR Supreme Soviet session gives cause for apprehension at the least.

The minister reiterates the same claims and advances the same false facts to show that ostensibly there are no Armenian people in the Manashid, Erkech and Buzluk villages in Shaumyanovskiy rayon of Azerbaijan which have simply become posts for the guerrillas. This claim comes when the USSR president lifted the state of emergency in the region on 4 June, ostensibly considering the situation stabilized.

The Armenian Republic Supreme Soviet condemns such provocative declarations and once more draws the attention of the USSR Supreme Soviet to the fact that so far there has been no response to the protests and demands of more than 5,000 forcibly deported people from Getashen, Martunashen and Berdadzor villages and Gadrutskiy Rayon to be returned to their permanent residences.

The Armenian Republic Supreme Soviet appeals to the country's president and to the USSR Supreme Soviet, demanding the dispatch of a special commission to the aforesaid villages in Shaumyanovskiy Rayon to ascertain the presence of the Armenian population there and to call to account those officials who are misleading the country's supreme organs of power and are thus instigating new armed operations and deportations.

Manucharyan Criticizes Azerbaijani Actions

LD1307185991 Moscow Russian Television Network in Russian 1645 GMT 12 Jul 91

["Studio A-1, Yerevan" video report by reporter P. Marutyan]

[Text] Fresh crowds of refugees have been humiliated, robbed, and disfigured. Fresh acts of forcible deportations and killings of peaceful inhabitants are reported. These are the result of the latest tragic events in the Armenian-populated Shaumyanovskiy rayon of Azerbaijan, next to the Nagorno-Karabakh Autonomous Oblast, where endeavors are made to pass all of this off as legality, under the guise of passport controls. [video shows women and children getting out of airplanes]

[A. G. Manucharyan, acting minister of internal affairs of Armenia] A village is surrounded by internal troops of the USSR or the Soviet Army. They train their weapons on houses or people's living quarters. Then the Azerbaijani special purpose militia detachment bursts in, wreaking violence, beating people up, and driving people out. The result of actions over the past two months is that 20 Armenian villages have been deported. I consider that Polyanichko and all those involved with him in waging this orgy of bloodshed will sooner or later face a common trial by the Azerbaijani, Armenian, and Russian peoples. Why Russian? Because around 100 people who are servicemen of Russian nationality have been killed during the time Polyanichko has held this post of second secretary of the Azerbaijan communist party Central Committee. [video shows interview, Armenian Russian-language newspapers headlining conflict with Azerbaijan]

Armenian MVD Placed on Alert After Raid

LD1307161591 Moscow Radio Rossii Network in Russian 1348 GMT 13 Jul 91

[Text] The Armenian Ministry of Internal Affairs [MVD] today released a report marked urgent saying that at around 0700 unidentified military sub-units dressed in black uniforms had raided a number of villages in (?Girangoyskiy) Rayon. Using threats of physical extermination, they demanded the immediate deportation of the Armenian population.

Official spokesmen for the Union MVD, KGB, and Ministry of Defense, as well as the Azerbaijani MVD, have denied involvement in the operation. The Armenian MVD concluded that unidentified troops had penetrated into our country. Republican MVD personnel were placed on alert.

As has become known, General Patrikeyev, commander of the Transcaucasian Military District; General Pishchev, commander of the Seventh Army stationed in Armenia; and representatives of the republican parliament and MVD, flew out to this region today.

Villages Asked To Hand Over Weapons

LD1307202291 Moscow All-Union Radio Mayak Network in Russian 1730 GMT 13 Jul 91

[Text] Here is a report by a TASS correspondent: In the villages of Erkech, Manashid, and Buzuluk in Geranboy Rayon of Azerbaijan the local authorities and law enforcement bodies of the republic held meetings today with the inhabitants and the leaders of local farms. It was proposed that they hand over militant fighters, give up weapons, and observe the requirements of the Constitutions of the USSR and the Azerbaijan Republic, says a report distributed by AZERINFORM.

The proposals put forward by the Azerbaijani side included getting life back into a peaceful channel and restoring economic links. According to representatives of the law-enforcement bodies, security is being guaranteed for the peaceful population. These proposals met with understanding from the Armenian side, whose representatives emphasized that inhabitants had been drawn into unlawful actions under armed threat by terrorists.

The AZERINFORM correspondent was told by the Azerbaijan KGB that a check of passports was started in these villages a week ago, but upon approaching the villages the inspectors were met by concentrated fire from automatic weapons and armored equipment was used. As a result three staff members of the law-enforcement bodies were killed and 10 wounded. All told, 10 Azerbaijani peaceful inhabitants have been killed and dozens wounded of late in Geranboy Rayon. Damage totaling more than 100 million rubles has been inflicted on the rayon's economy over the last 18 months.

ARMENPRES meanwhile issued the following report today: At dawn today the inhabitants of the villages of Erkech, Buzuluk, and Manashid were awakened by the noise of helicopters and the roar of military vehicles. The latest punitive action against the peaceful Armenian inhabitants of these villages, in the agency's view, was begun by the Azerbaijan OMON [Special Purpose Militia Detachment], the USSR MVD interior troops, and units of the Soviet Army. From loudspeakers installed aboard the military helicopters came peremptory demands to evacuate the village of Erkech or else all its inhabitants would be shot.

The ARMENPRES correspondent was told by the Armenian MVD that the Ministry's personnel had been put on alert to organize the armed defense of the Armenian population living in these villages. Information about this and an appeal for urgent assistance have been sent to the interior ministries of all union republics and also the country's leadership.

Situation of Armenians in Azerbaijan Viewed

LD1407173591 Moscow TASS International Service in Russian 1610 GMT 14 Jul 91

[By Tigran Liloyan]

[Text] Yerevan, 14 Jul (TASS)—"The position of the Armenian Government is simple. If actions to deport the Armenian population in Azerbaijan continue, we will use all our forces to defend our fellow countrymen." This statement was made today by Ashot Manucharyan, temporary acting minister of internal affairs of Armenia, at a briefing in Yerevan organized at the Armenian Council of Ministers in connection with a sharp deterioration in the situation in the Shaumyanovsiy (Geranboyskiy) rayon of Azerbaijan with its Armenian population. "We cannot stand by and watch, allowing further violence against the Armenian population," said the head of the Armenian Ministry of Internal Affairs. "If it is allowed to continue, the republic will use all the resources at its disposal to rebuff it," he stated.

Of course, stressed A. Manucharyan, the government of Armenia is taking all necessary measures to resolve the conflict, primarily through political means. Permanent contact is being maintained with the leadership of the country, with the leaders of several Union republics, and with the heads of the country's law-enforcement bodies and those of Azerbaijan to find a settlement to the situation. He also said that Azerbaijan is not seeking any contacts and is not taking any steps for the political normalization of the conflict.

Journalists were informed that to coordinate the actions of the republic's bodies in the tense situation that has arisen, an emergency operational headquarters has been set up according to a decision of the Supreme Soviet Presidium and the Presidium of the Government of Armenia. Manucharyan specified that he had given instructions to the Armenian Interior Ministry and the KGB of Armenia, and "preventive measures are being taken to react, if need be, to an escalation of violence against Armenians in Shaumyanskiy rayon of Azerbaijan." He also reported that the Armenian Interior Ministry is starting training in camps in Vardenisskiy rayon in the eastern part of the republic and on the border between Sisiyanskiy and Gorisskiy rayons (southeast of Armenia—TASS). In his words, this is being done with the purpose of "training the militia to act under any circumstances".

It was announced at the briefing that Soviet Army helicopters are continuing low altitude flights over the villages of Erkech, Buzluk, and Manashid in Shaumyanskiy rayon. From the helicopters, demands are being made through loudspeakers that the population leave their native homes, while, as A. Manucharyan pointed out, everybody from newborn babies to elderly women are being [word indistinct] among "Armenian paramilitaries." Two residents of Manashid village were taken hostage by the subunits of the 4th Army stationed in Azerbaijan. The hostages were handed over to the Azerbaijani OMON [Special Purpose Militia Detachment]. A driver was kidnapped and his ambulance hijacked while he was driving past the Azerbaijani village of Khodzhalu.

The Russian Soviet Federated Socialist Republic Supreme Soviet, foreign embassies, and journalists were informed of the events in the region, A. Manucharyan said.

Army Reportedly Forcibly Deporting Armenians

LD1407181291 Moscow Russian Television Network in Russian 1700 GMT 14 Jul 91

[From the "Vesti" newscast]

[Text] Early this morning, forcible deportations began in seven Armenian villages in Shaumyanovskiy Rayon in Nagorno-Karabakh. They are being carried out by Azerbaijani Special Purpose Militia Detachment [OMON] units and the Soviet Army. Some people were wounded and several houses set on fire. Some women and children fled the settlements yesterday, but others were unable to leave. It is estimated that there is now a very high probability of fresh human casualties. [video shows L. Melik-Shakhnazaryan, head of the Nagorno-Karabakh oblast executive committee department for work with migrants]

[Begin Melik-Shakhnazaryan recording] Leaflets were dropped today from helicopters, and megaphone threats were issued to Armenians demanding that they clear out to Armenia. They were told that otherwise all residents of the villages will be declared guerrillas and shot. So much for the normalization spoken of by the USSR president and the security guarantees offered by the president of Azerbaijan. [end recording]

Armenia's leader Ter-Petrosyan today held a telephone conversation with KGB Chairman Kryuchkov. Kryuchkov said that according to his information everything was calm in Shaumyanovskiy Rayon.

Armenian Villages 'Taken' by Troops

LD1407210191 Moscow Russian Television Network in Russian 2000 GMT 14 Jul 91

[From the "Vesti" newscast]

[Text] Alarming reports are coming in again from Armenia. According to the ARMENPRESS Agency, Azerbaijani OMON [Special Purpose Militia Detachment] units and internal troops of the USSR Ministry of Internal Affairs have since yesterday morning been blockading the Armenian villages of Erkech, Buzluk, and Manashid in Azerbaijan's Shaumyanovskiy Rayon. Peaceful inhabitants have been faced with the choice: deportation or death. The ultimatum expires tomorrow.

At 1300 today the villages came under heavy fire. Manashid and Buzluk have already been taken by the troops. Erkech is still resisting. USSR People's Deputy Zoriy Balayan got in touch by telephone with Varennikov, commander of the ground forces, who said that the situation in Shaumyanovskiy rayon is calm. A similar assertion came from the lips of USSR KGB Chairman Kryuchkov. Appeals for urgent assistance have been conveyed to the ministries of internal affairs of all Union republics and to the country's leadership.

I should emphasize that this version of events is that of the Armenian side. We have no information available from the Azerbaijani side. The last reports from there spoke of passport controls being carried out.

One cannot fail to notice that tension in the region is again mounting during a weekend and on the eve of the president's departure from the country, when the attention of the whole world is focused on London.

Azerbaijan

News Conference Outlines Position on Conflict

LD1107205291 Moscow Russian Television Network in Russian 1700 GMT 11 Jul 91

[From the "Vesti" newsast]

[Text] A news conference was held in the Azeri permanent mission in Moscow. We understand very well how important it is for journalists to be objective. Therefore, I have asked our correspondent to be at his most impartial in compiling a report on this meeting. [video initialy shows news conference paneled by four men with Azeri flag hanging over them]

[Correspondent Ponomarev, identified by caption] The events in the Nagorno-Karabakh Autonomous Oblast [NKAO] are in the focus of attention once again. The representatives of Azerbaijan today have mapped out their leadership's point of view on this subject. The journalists were shown a whole range of weapons. [video shows firearms ranging from machine guns to pistols and rifles]

The Azeri deputy interior minister insists that these weapons had been used by well-trained Armenian groups which penetrate the NKAO to terrorize the population, including the Armenian population. These actions are described as an undeclared war because even the Army is not able to contain the aggression encouraged by the Ter-Petrosyan government. The speakers claimed that Armenia had refused to fulfill the president's order on the disarmament of illegal formations. Moreover, the republic, I quote, continues the arming process.

[Begin recording] [unidentified correspondent] Are there any Azeri guerillas in Azerbaijan?

[Azerbaijan Deputy Interior Minister Talibov, identified by caption] I can declare with all the responsibility reflected in my post that there are no guerillas in Azerbaijan.

[Unidentified individual next to Talibov] Throughout the whole of this four-year conflict, moreover, not a single Azeri guerilla has ever put his foot on Armenian territory. [end recording]

[Ponomarev] The Azeri position is this: everyone is fed up with the conflict but it can only be resolved if Armenia ceases aggression against Azerbaijan. I would like to remind you that this is the official position of the Azeri representatives.

Difficult Situation on Aremenia-Azerbaijan Border

LD1407225191 Moscow Radio Rossii Network in Russian 2050 GMT 14 Jul 91

[Text] The situation on the Armenia-Azerbaijan border remains difficult. Here is Azer Khalilov with an account of how the situation is seen in Baku:

[Khalilov] As you know, there has been an escalation of tension in the Nagorno-Karabakh region of late. A number of observers, however, connect this with the USSR president's decree lifting the state of emergency in Azerbaijan's Geranboyskiy rayon [same as Shaumyanovskiy rayon] and with the actions of the Azerbaijani OMON [Special Purpose Militia Detachment]. In reality, the dynamics of this latest flare-up of tension are as follows:

On 29 June, in Martuninskiy rayon of Nagorno-Karabakh, six Azerbaijani peasants were burned to death, including three women, as a result of an armed attack by Armenian paramilitaries on the village of (?Garadagly).

On 5 July there was firing from the Armenian villages of Erkech, Manashid, and Buzluk in Geranboyskiy rayon on neighboring Azerbaijani villages.

On 7 July the burned bodies of four peasants were found in (?Tiranskiy) rayon in the NKAO [Nagorno-Karabakh Autonomous Oblast]—inhabitants of the Azerbaijani village of Srkhavend in Mardakertskiy rayon of Nagorno-Karabakh.

For the purposes of protecting the peaceful population and putting an end to terrorist activities by the paramilitaries active on the territory of the republic, law-enforcement bodies took specific measures, as envisaged by the law, to disarm the bandit formations in the Nagorno-Karabakh zone.

We can note that the recent statement by Armenian Supreme Soviet Chairman Levon Ter-Petrosyan represents official acknowledgment of the fact that war is being waged by Armenia on the territory of Azerbaijan. Therefore, as the course of events has shown, the path to a situation of peace in Nagorno-Karabakh lies by way of Armenia desisting from interfering in Azerbaijan's internal affairs.

This is Azer Khalilov in Baku, for Russia's Radio news service.